



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

## **THESIS**

**U.S. DRUG POLICY: SHAPING RELATIONS WITH  
LATIN AMERICA**

by

Robert L. Bond

June 2014

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**U.S. DRUG POLICY: SHAPING RELATIONS WITH LATIN AMERICA**

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## **ABSTRACT**

Recent state-level changes in drug policy have raised the prospect that similar changes in federal policy may one day follow. Any such changes will have profound effects on U.S. relations with its neighbors to the south. This thesis attempts to analyze the effects of U.S. drug policy on the overall character of U.S. relations with Latin America. U.S. policy and actions have created a pattern of relationships and side effects in Latin America that can help predict how a continuation, or a change, of current U.S. drug policy may alter U.S. relations with Latin America and influence social and political conditions within the major drug-producing countries of the region. This thesis also seeks to explore policy alternatives to curtail drug related crimes and health issues, which current prohibitive policies exacerbate, and outlines steps to help new policies reach actual implementation.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

ABA	American Bar Association
AID	Agency for International Development
AIDS	Acquired Immunodeficiency Syndrome
AMA	American Medical Association
ATF	Alcohol Tobacco and Firearms
BNDD	Bureau of Narcotics and Dangerous Drugs
COP	Conference of the Parties
CTOC	Convention against Transnational Organized Crime
DEA	Drug Enforcement Administration
DPA	Drug Policy Alliance
DSB	Drug Supervisory Board
DTO	drug trafficking organizations
EU	European Union
FBI	Federal Bureau of Investigation
FBN	Federal Bureau of Narcotics
FDA	Food and Drug Administration
GDP	gross domestic product
GINI	generalized inequality index
GNP	Good Neighbor Policy
HIV	human immunodeficiency virus
INBC	International Narcotics Control Board
INL	International Narcotics and Law Enforcement Affairs
IRB	International Reform Bureau
IRS	Internal Revenue Service
NGO	non-governmental organizations
NIH	National Institutes of Health
NIMH	National Institute of Medical Health
NSD	national security directive
OAC	Opium Advisory Committee
ODALE	Office of Drug Abuse Law Enforcement

PCOB	Permanent Central Opium Board
RAND	research and development
TACA	Transportes Aereos CentroAmericanos
UN	United Nations
UNODC	United Nations Office on Drugs and Crime
U.S.	United States
WHO	World Health Organization



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# **I. INTRODUCTION**

## **A. WHY STUDY DOMESTIC DRUG POLICY?**

### **1. Major Research Question**

How has U.S. domestic drug policy affected U.S. foreign policy in Latin America? Since the Nixon era, when the U.S. declared a “war on drugs,” it has continually pursued a supply-side policy that has tried, and failed, to reduce or eliminate the use of illicit drugs within the country. It is by no means obvious how carefully foreign policy considerations were taken into account in framing this policy. Yet its impact on America’s relations with its southern neighbors has been, and remains, profound.

What does the continuation of America’s current policies mean for its future relationships in Latin America? Conversely, to what extent might currently familiar and entrenched relationships and international interaction with Latin America, created by the war on drugs itself, stand in the way of a change in policy?

Domestically, support for decriminalized drug policies have begun to make themselves felt. Some American states have recognized that decriminalization and legalization may be an alternative answer to the unending war on drugs. If U.S. domestic policy continues to shift toward a more liberal stance, how might this affect the U.S.’s relationships in Latin America?

### **2. Importance**

The politically destabilizing effects of drugs in producing states is owed to the fact that the drugs are illegal where they are consumed, a circumstance that drives up prices and profits sufficiently to support major criminal enterprises. If these situations change, one can expect a great deal else to change. From civil wars to agricultural disaster, U.S. policy directly affects Latin American economies, politics, and social welfare. The U.S. has poured funding and military aid, into parts of Latin America, for instance in the form of Plan Colombia. Distorted success in certain areas gives way to measured failure in the surrounding region (the balloon effect saw Peru’s cocaine

production skyrocket as production fell in Colombia), enriching narco-terrorists and other armed groups, thereby undermining Latin American developmental progress overall.<sup>1</sup> The drug trade feeds the criminal elements of society and undermines social governance and public welfare efforts through corruption, violence, and other mechanisms. A U.S. shift towards domestic decriminalization and legalization could create a commodity industry in Latin America that would allow a legal means for lower classes to pursue income and present a new legal income stream (via taxation) to support the social, political, and structural development of Latin America.

### **3. Problems and Hypotheses**

It may be hard to quantify the effects of U.S. domestic drug policy on our relations with Latin America. However, multiple works have broached this subject. Even absent overall success, the war on drugs has produced a range of institutional beneficiaries in Latin America, and there is an argument to be made that the region has benefited from increased American engagement (and aid) that the war on drugs has inspired.

There is also a vast infrastructure of anti-drug institutions throughout the U.S., from antinarcotic U.S. military units to the Drug Enforcement Administration (DEA) to the narcotics divisions within local police departments, the existence of which are dependent on the war on drugs. U.S. agencies have established working relationships with sister agencies in Latin America, and therefore it may be difficult for these agencies to see anything other than the positive effects of international cooperation between the U.S. and Latin America. What would become of these groups if the U.S. government decriminalized or legalized drugs? The status-quo could have created ingrained international interrelationships between counter-drug agencies that may resist a change of policy.

It is difficult to forecast the outcome of drug legalization on a federal level because it has not occurred in the U.S. That said, some Latin American countries are in

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<sup>1</sup> Narco-terrorism is terrorism financed by profits from illegal drug trafficking. *Merriam Webster Online*, s.v. "narco-terrorism," accessed: May 26, 2014. <http://www.merriam-webster.com/dictionary/narco-terrorism>.

the beginning stages of drug legalization. It will be interesting to see if and how these governments will capitalize on the new market, and how the legalization of drugs in producer states may affect their willingness to cooperate with the United States in the suppression of the international drug trade. Perhaps researchers and U.S. society can use the success or failure in the narco-legalized Latin American states as a metric to predict U.S. success along a similar path. This may also help determine the likely ramifications a U.S. domestic drug policy change may have in U.S. relations with Latin America.

## **B. LITERATURE REVIEW**

### **1. Introduction**

There exists a large repository of literature on drugs; however, this literature review focuses on the most important and influential of these texts. This section discusses what some of these works have in common, where they diverge, and what the current literature ignores. The first subsection examines the mindset of policy makers by reviewing Congressional Hearings that discuss the drug-policy reform issue. This literature review also examines the following works: *Drug War Heresies* by Robert J. MacCoun and Peter Reuter; *The Mission* by Dana Priest; *Drug Crazy* by Mike Gray; *Drugs and Democracy in Latin America: The Impact of U.S. Policy*, by Coletta A. Youngers and Eileen Rosin; a hearing before Congress titled “*Overview of U.S. Policy Toward The Western Hemisphere*,” *Drug War Politics: The Price of Denial* by Eva Bertram, Morris Blachman, Kenneth Sharpe, and Peter Andreas; and “The Economics of the Drug War: Effective Federal Policy or Missed Opportunity?” by Marvin H. McGuire and Steven M. Carroll. The final subsection will comprise a critique of the selected literature and explain what contributions this thesis attempts to infuse into the current debate regarding U.S. drug policy reform. There is a strong argument, which states that the U.S. “War on Drugs” has failed; however, there is no agreement as to why the U.S. continues to pursue this failed policy. Some authors cite moral or social reason for a lack of policy change—few scholars pursue a causal analysis to explain U.S. policy continuity. Ultimately, this research indicates that U.S. drug policy generally has adverse effects in Latin America.

## 2. Current Policy Perspective

In 1999, the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Committee on Government Reform held a hearing chaired by the Honorable John L. Mica. This hearing discussed and was titled the *Pros and Cons of Drug Legalization, Decriminalization, and Harm Reduction*. Mr. Mica explained that this was an important hearing because “the American public should understand the policy implications of legalization, decriminalization and harm reduction. They need to hear both sides of this debate that is why we begin today, hopefully, in a civil and well-informed discussion.”<sup>2</sup> Mr. Mica advocated that although some are driving for legalization and decriminalization, since the late 1970s, U.S. drug policy had been successful. He explains that from 1979 to 1992, U.S. drug users dropped by 50 percent and cocaine use alone dropped by 75 percent between 1985 and 1992.<sup>3</sup> Mr. Mica notes that with such success, an attempt to change policy would serve only as a step backwards in the war on drugs.

Also present at this hearing, Representative Benjamin Gilman explained, “Legalization is virtually a surrender to despair. It cannot and should not be any topic of serious discussion in our Nation’s debate on the challenges of illicit drugs.” Mr. Gilman viewed such debate as a vehicle to send mixed and confusing messages to our youth. Mr. Gilman expands on Mr. Mica’s comments and explains that with a cocaine usage reduction of nearly 80 percent over a seven-year period, current U.S. policy coupled with a fervent “public relations campaign, through Mrs. Reagan’s Just Say No theme,” is the best way to make progress in the war on drugs. The debate began in the late 1990s, and faced stringent opposition from policy makers; however, Congress asserts it was trying to approach the debate with an even hand.

At this June hearing before Congress, General Barry R. McCaffrey explained that State initiatives for policy change were welcome and a federal right. General

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<sup>2</sup> *Pros and Cons of Drug Legalization, Decriminalization, and Harm Reduction: Hearings on H.R. 10699, Day 1, Before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources*, 106th Cong. 2 (1999) (statement of John L. Mica, Chairman).

<sup>3</sup> *Ibid.*, 3.

McCaffrey, a strong opponent of legalization, expressed that he did not intend to stifle any legal approach to change. That said, he expressed that some legalization and decriminalization advocates “have disguised themselves under other terms to advance their argument.”<sup>4</sup> If one seeks change, let them be honest and open about their methods, intentions, and goals. General McCaffrey stated forthrightly that his anti-drug media campaigns goal was to “affect youth attitudes to reject the abuse of drugs.”<sup>5</sup> He goes on to explain that despite the efforts of the “drug legalization people,” they simply cannot compete with the power that the U.S. Government has “brought to bear on this issue.”<sup>6</sup> The General felt confident that no one would be “stupid enough” to put “a drug legalization initiative on the table.”<sup>7</sup> He explains that the proponents of legalization often take indirect and beguiling routes to try to spark change, for instance, medical pot and industrial hemp legalization. General McCaffrey saw these actions as dishonest and misleading and believed that his media campaign would eventually affect youth attitudes in such a way to prevent future drug use.

Congressional and U.S. leadership approaches to drug policy in this hearing portend a strong prohibitive approach in future U.S. drug policy. General McCaffrey later states, when addressing Congress:

I want you to understand; don't think I've got an open mind. I am not—after 3 ½ years of going to drug treatment centers around America and listening to 14-year-old girls who are addicted to heroin and listening to their parents talk about it and just having come yesterday from New Orleans, from a Baptist church-based drug treatment center, I am not open minded about drug abuse in America. I think it is a crime. ... It [leaves] more people dead each year than in the Vietnam War that shattered my generation. I think it is crazy, and I think most Americans feel the same way. We have to put it out to the public. We have to rediscover why we are opposed to a drugged, dazed life-style for our children, our fellow workers and our families.<sup>8</sup>

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<sup>4</sup> Ibid., 32.

<sup>5</sup> Ibid., 95.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid., 103.

The following month in July 1999, Congress met to further the discussion on the decriminalization of illegal drugs. Mr. Mica explained that upon examining the effect of illegal drugs, they clearly destroy lives. He furthers, “they help produce the felonious behavior and conduct we have seen: overdoses, fatal accidents, and death by criminal homicide.”<sup>9</sup> Legalization would serve only to exacerbate the situation. In agreement, former Drug Enforcement Administration Administrator and 39-year law enforcement veteran, Thomas A. Constantine likened drug legalization and decriminalization to allowing other socially deviant behavior. Mr. Constantine states decriminalizing illicit drugs,

would be similar to deciding how much domestic violence we would tolerate, how much drunken driving we would tolerate, how much child abuse we would tolerate, and we would wind up compromising positions on the edges of the argument, and the eventual losers would be the young people of the United States.<sup>10</sup>

To round-off the avocation for prohibitive drug policies, the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Committee on Government Reform heard the testimony of the mother of a drug victim and President of Drug Watch International, Sandra Bennett. Ms. Bennett explains that despite years of research explaining the detriment that illicit drugs cause to the mind, body, and soul, and on society, that she is surprised Congress “is being forced to debate this insanity [drug legalization/decriminalization].”<sup>11</sup> Ms. Bennett goes on to reiterate the failure of the 1970’s permissive drug policies and the social woes it fostered. She follows with a compelling argument. Ms. Bennett states that:

Decriminalization, as embraced by the drug culture, is simply the notion that those who use illicit drugs are blameless and that all criminal legal sanctions against use should be removed. As a bereaved parent, I can tell you that I would rather my son be shaken to his senses with a little jail time than have to lose him, have him lose his life or lead a useless,

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<sup>9</sup> *The Decriminalization of Illegal Drugs: Hearings on H.R. 106115, Day 1, Before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, 106th Cong. 2 (1999)* (statement of John L. Mica, Chairman).

<sup>10</sup> *Ibid.*, 7.

<sup>11</sup> *Ibid.*, 93.



debilitated one. Decriminalization is actually part of a back door effort to ease society into accepting legalization of all psychoactive and addictive drugs. ... Perception of consequences or danger is key. When drug users suffer no consequences, the behavior appears safe, acceptable, and spreads unchecked, friend to friend, sibling to sibling, parent to child.<sup>12</sup>

As compelling as these arguments are, there are areas of the argument that Congress and policy makers fail to examine, the impact of U.S. policies throughout the Western Hemisphere. Drug addiction and the drug trade is not only a domestic concern, it affects the entire world, and especially our neighbor to the south who are drug-producing nations. In order to alleviate the global drug problem one must examine the effects of the drug trade at a global scale. Current U.S. policies prevent this from occurring. The following sections examine current literature on U.S. drug policy change.

### **3. Consensus**

One common thread throughout all of the works listed in the introduction, with the exception of the hearings before Congress, is that current U.S. drug policy is ineffective and generally failing to serve its intended purpose of ending the harmful effects of drugs within the U.S. These authors see policies and their enforcement mechanisms as a root cause of the problem. MacCoun and Reuter explain, “America’s highly punitive version of prohibition is intrusive, divisive, and expensive and leaves the United States with a drug problem that is worse than that of any other wealthy nation.”<sup>13</sup> Gray agrees that U.S. antidrug policies have produced less than satisfactory results, he explains: “... there is a growing consensus that it’s time at last to put the prohibitionists in the dock, time to demand some justification for a brutal eighty-year conflict that has produced the opposite of what was intended.”<sup>14</sup> Others agree that the drug war diverts U.S. attention and funds away from more pressing domestic security issues. For example, McGuire and Carroll argue that despite limited successes:

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<sup>12</sup> Ibid., 93–95.

<sup>13</sup> Robert J. MacCoun and Peter Reuter, *Drug War Heresies: Learning from Other Vices, Times, & Places* (Cambridge: Cambridge University Press, 2001), 1.

<sup>14</sup> Mike Gray, *Drug Crazy: How We Got Into This Mess and How We Can Get Out* (New York: Routledge, 2000), 198.

little progress has been made to reduce illegal drug use by America's youth, to decrease drug related violence in our cities, or to affect the exposure of the non-drug using population to the negative externalities of the illegal drug trade.<sup>15</sup>

Priest talks of some of the externalities of which U.S. citizens are unaware. She devotes a chapter to U.S. supply-side anti-drug policy in Colombia. Plan Colombia, initiated in 2000 was an approach to thwart coca production through crop substitution and other internal security methods, led by U.S. military components. Priest explains that by 2002, military leaders "and others at the U.S. embassy had judged [coca crop-substitution] a failure. ... [and] violence in Colombia claimed another 3,000 lives that year."<sup>16</sup> All of the listed authors agree that U.S. supply side policies and or domestic prohibitionist policies have failed to produce results congruent with their intended effects.

Coletta A. Youngers and Eileen Rosin explain that U.S. prohibitive domestic drug policy drives an international policy with the main purpose being to decrease or end the supply of illicit drugs inside the U.S. They explain that such policies should increase the price of illicit drugs to an extent that it would prohibit demand. In agreement with the authors listed above, Youngers and Rosin agree that after "twenty-five years and 25 billion dollars," the U.S. has failed to reduce "drug abuse and availability" in the country.<sup>17</sup> Youngers and Rosin go on to explain that the U.S. has not only failed to produce favorable results in the drug war but has, in the process of pursuing a prohibitive domestic policy, deteriorated democratic institutions and undercut the economic viability of the rural poor in Latin America. Furthermore, Youngers and Rosin assert that U.S. drug policy has also led to human rights violations and caused the drug trade to balloon, shifting into less controlled areas as the U.S. and its partners focus anti-drug attention on particular regions in Latin America.<sup>18</sup>

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<sup>15</sup> Marvin H. McGuire and Steven M. Carroll, "The Economics of the Drug War: Effective Federal Policy or Missed Opportunity?" (master's thesis, Naval Postgraduate School, 2002), 1, <http://www.dtic.mil/dtic/tr/fulltext/u2/a405877.pdf>.

<sup>16</sup> Dana Priest, *The Mission* (New York: W. W. Norton, 2003), 210.

<sup>17</sup> Colletta A. Youngers and Eileen Rosin, *Drugs and Democracy in Latin America: The Impact of U.S. Policy* (Washington DC: Washington Office on Latin America, 2004), 1.

<sup>18</sup> *Ibid.*, 1–2.

The website We are the Drug Policy Alliance (DPA) is also in the “U.S. drug policy failure” camp. Like Youngers and Rosin, the DPA observes the collateral effects of U.S. policy. Here the website notes the environmental and community damage in Latin America, citing coca eradication programs that have an adverse effect on community ecosystems. The effects of U.S. policy in Latin America have also created an “upsurge in violence, corruption, impunity, erosion of rule of law, and human rights violations caused by the emergence of powerful organized crime groups and drug cartels.”<sup>19</sup> The DPA notes that Latin American leaders are beginning to recognize the harmful side effects of U.S. prohibitive drug policy and therefore, they have begun to speak up against such a policy.<sup>20</sup>

#### **4. Divergence**

While agreeing on current policy failure, the selected authors’ opinions vary on the effects of failed policies and on why the U.S. continues to pursue failed policies of criminalization at home and failed supply-side policies to reduce drug trafficking abroad. McGuire and Carroll are hard pressed to find a viable reason why U.S. policy makers still support prohibition. They cite several possible reasons for this from an assumption that drug use causes sexual promiscuity, to the belief that adolescents who never use illegal drugs will be less likely to become addicts as adults. McGuire and Carroll go on to explain that the effects of prohibitionist policies are not only ineffective but also very expensive. Therefore, economics plays an important role in McGuire and Carroll’s thesis; they believe the current policy’s ultimate intention is to improve the quality of life of Americans. The best way to frame an argument is to put it into terms the average person can understand; in the case of these two authors, those terms are dollar signs. As such, McGuire and Carroll strive “to make recommendations for drug policy change using the

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<sup>19</sup> “Drug Trafficking in Latin America,” We are the Drug Policy Alliance, accessed December 3, 2013, <http://www.drugpolicy.org/drug-trafficking-latin-america>.

<sup>20</sup> “Global Reform,” We are the Drug Policy Alliance, accessed May 24, 2014, <http://www.drugpolicy.org/global-reform>.

economic approach to drug legalization.”<sup>21</sup> They argue that legalization of illegal drugs is a viable alternative to prohibitionist policies that will not only improve the quality of life for Americans but it will be economically beneficial.<sup>22</sup>

While McGuire and Carroll focus on economics in their approach to correcting failed drug policy, Priest presents an interesting case that U.S. military leaders used Washington’s failed “War on Drugs” to secure their institution’s future and “open the door ever wider for broader military relations [in Latin America].”<sup>23</sup> Priest explains that the U.S. military leaders first rejected the notion that it should be involved in the U.S. “War on Drugs,” they felt domestic policy should focus on ways to diminish the demand for drugs. However, in 1989 military involvement in the drug war was unavoidable when George H. W. Bush issued National Security Decision Directive 18. The military took the lead in trying to pull all drug-war related agencies into a fold of cooperation. Priest explains that the drug war provided new opportunities for these agencies to procure funding thereby creating competition for jurisdiction and justifying their existence. The drug war would go on to justify the U.S. military’s presence and mission in Latin America.<sup>24</sup>

While the U.S. military may use the drug war to justify its mission set in Latin America, many U.S. politicians use the war on drugs as a domestic platform during the election season. MacCoun and Reuter explain that U.S. politicians often take a tough stance on the “War on Drugs.” There are a few politicians, in these authors estimation, that are in favor of drug policy change but endorse arbitrary or minuscule legislation that would not pose a great political risk to their careers. MacCoun and Reuter give accounts of officials who suggested policy change facing ridicule by contemporaries who subject them to a stringent political backlash. This is especially true when proponents raise the

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<sup>21</sup> McGuire and Carroll, “Economics of the Drug War,” 20.

<sup>22</sup> Ibid., 18–20.

<sup>23</sup> Priest, *Mission*, 203.

<sup>24</sup> Ibid., 204–205.

subject of legalization. There are official documents published by executive branch departments that are devoted to explaining why such policy would be detrimental to the U.S.<sup>25</sup>

MacCoun and Reuter discuss the fact that some U.S. officials believe that drug legalization would destroy America, Gray delves into the media's role in burning the moral detriment of drugs into the psyche of the American populous. Gray notes several very public occurrences that have happened since the 1960s. In Gray's estimation, the "War on Drugs" was a Nixon-era distraction from a war weary America crippled by a new incomprehensible generation of degenerates. Drugs were the prime suspect in the social chaos razing the U.S. at the time. Gray explains that the media gave overwhelming attention to a 1970s doctor who wrote a prescription for a friend on the White House staff, using a false name to protect her identity. The media blew the story out of proportion, seeking ratings and paper sales, ultimately ruining the doctor's reputation. The 1980s and 1990s also gave America a video feed into the drug trade in TV shows, such as *COPS* and the like, that showed the seedy parts of town and the criminals involved in the drug world, searing the horrors of drugs into the minds of viewers. Drug crime sells, and the more violent and heinous the coverage and the more crimes are tied to drugs, the more viewers will pay attention. This also creates a sentiment that there is no positive side to drugs; hence, drug policy should only get tougher in an effort to eliminate drugs and all associated crime.<sup>26</sup>

The U.S. persistence in prohibitive drug policy is a testament to its intransigence on the subject. In a hearing before the Subcommittee on the Western Hemisphere of the Committee on International Relations House of Representatives, in the first session of the 108th Congress, U.S. officials recognized that there is a problem in Latin America; however, divergent from Youngers and Rosin's work, the U.S. representative does not acknowledge that U.S. policy is exacerbating that problem. The U.S. cites the success of its drug policies in Latin America and recognizes that any problems in Latin America are

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<sup>25</sup> MacCoun and Reuter, *Drug War Heresies*, 40–41.

<sup>26</sup> Gray, *Drug Crazy*, 93–110.

strictly endemic. In 2003, the Director of the Office of National Drug Control Policy, John P. Walters explains the relationship between the U.S. and Colombia:

President Uribe has committed himself to fighting the terror organizations, destroying their capacity to continue to exact such a terrible price against the Colombian people and to drug trafficking people throughout the hemisphere. He has extradited 26 since last August; he has stepped up eradication programs; he has implemented plans to help restart a variety of investigative and security matters, including the Air Bridge Denial program that was suspended earlier; and he has made it clear that his commitment is to reform the society of Colombia so it serves all people. I think that is a significant change you haven't seen in the past. Either there was not the strength or the vision to do that, to make rule of law a fact in all of Colombia, for all Colombians, to make security and education and health reform and economic development a long-term goal. I think he and we understand that you have to first reduce the extent to which Colombia is a war zone. It is hard to get effective infrastructure growth, it is hard to serve people's humanitarian needs when they are suffering and threatened at the level that they are.<sup>27</sup>

Mr. Walters goes on to describe the success of the U.S.-led eradication program in Colombia. The U.S. and its partners destroyed the coca equivalent of approximately 650 metric tons of pure cocaine, which had a value of about 65 billion dollars.<sup>28</sup> This is hailed as a huge success; however, there is no mention of the human toll to the rural peasantry who have no other means of subsistence, other than coca production, nor is there an estimation of environmental damage. There is also no prediction of where coca cultivation may shift to because of U.S. actions in Colombia. Perhaps, despite Priest's claims in her book that the failure of Plan Colombia was obvious in 2002, Mr. Walters still did not receive that memo by February of 2003. He does not acknowledge the balloon effect or other adverse effects that are now evident to many scholars and journalists since the inception of Plan Colombia.<sup>29</sup>

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<sup>27</sup> *Overview of U.S. Policy toward the Western Hemisphere: Hearings on H. R. 1088, Day 1, Before the Subcommittee on the Western Hemisphere, 108th Cong. 8–9 (2003)* (statement of Robert Menendez, Committee on International Relations).

<sup>28</sup> *Ibid.*, 9.

<sup>29</sup> *Ibid.*

While some authors recognize the secondary and tertiary effects of U.S. policy in Latin America, Bertram et al. focus on U.S. drug policies' adverse effects on the U.S. They describe three kinds of collateral damage. Firstly, the drug war worsens crime and health problems, it does not fix them. Second, it worsens social tensions by fueling racial and class divisions. Lastly, the authors explain that U.S. drug policy corrodes democratic institutions and values. These effects mirror the sufferings of Latin American countries affected by U.S. drug policy; however, the authors fail to discuss or provide a parallel to any of the ill effects suffered in Latin America, focusing predominantly on why drug policy has become obdurate in the U.S.<sup>30</sup>

## **5. Omissions**

McGuire and Carroll wrote a thesis that proposes legalization. These authors however, do not address more incremental approaches to drug policy change. They focus on the economics of drug policy and possible positive outcomes of a policy that the government has not issued. McGuire and Carroll barely examine why the U.S. has thus failed to implement a change in drug policy or why the U.S. appears to mitigate any approach to effect such a change. McGuire and Carroll do however, project promising economic advantages of a radical policy change. Given that it is not the topic of their thesis, McGuire and Carroll focus solely on monetary consequences of U.S. prohibitive policies with little consideration for the human toll in the U.S., much less, Latin America<sup>31</sup>.

Priest's approach to the stagnation of drug policy equates to U.S. institutions' justification for existence. She fails to explain causal factors that explain why some U.S. institutions may believe that the war on drugs is the nexus of their existence. Priest's work describes inherent flaws in U.S. policies such as Plan Colombia; however, besides mentioning the strengthening of armed groups and the increase in human rights abuses,

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<sup>30</sup> Eva Bertram, Morris Blachman, Kenneth Sharpe, and Peter Andreas, *Drug War Politics* (Berkeley: University of California Press, 1996), 32.

<sup>31</sup> McGuire and Carroll, "Economics of the Drug War," i.

she does not mention the adverse effects of U.S. policies on democratic institutions in Latin America. What would alternate U.S. policy mean for Latin America?

MacCoun and Reuter devote an entire section to an assessment of alternatives; however, when addressing the reasons why U.S. officials are resistant to drug policy change, they simply state that the reason is because public opinion supports prohibition. MacCoun and Reuter fail to give a causal explanation defining why public opinion is as it is. They suggest that perhaps people view reformist proponents as pro-drug instead of pro-health and anticrime, for example. MacCoun and Reuter suggest the current drug policy proponents' message is simple, "Drugs are bad, so let's stop drug use," and the reformist arguments are too complicated.<sup>32</sup> Author Renee Scherlen's article titled, "The Never-Ending Drug War: Obstacles to Drug War Policy Termination," explores the persistence of U.S. drug policy and how it is related to public opinion. She expands on and emphasizes empirics to back her assertions, pushing for a viable policy termination strategy using prospect theory. Scherlen's article does a good job explaining why the current policies persist.<sup>33</sup> However, she does not sufficiently engage in ways to change public perception of the Drug war; a necessity she claims must occur if current policy is to undergo termination. Neither MacCoun and Reuter, nor Scherlen explore the collateral effects of U.S. policy over Latin American society. Could an awareness of these side effects awaken the U.S. public and shift public opinion thereby forcing a reevaluation of U.S. prohibitive policy?

In this limited literature review, Younger and Rosin's work is the predominant source on U.S. policy effects in Latin America.<sup>34</sup> They are the only authors that recognize and explain the second and third order effect of U.S. policy in the region. These effects are important to understand because they may be the foundation to spark a change in U.S. policy thinking. As noted above, many Latin American leaders are beginning to come

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<sup>32</sup> MacCoun and Reuter, *Drug War Heresies*, 402.

<sup>33</sup> Renee Scherlen, "The Never-ending Drug War: Obstacles to Drug War Policy Termination," *Political Science & Politics* 45, no. 1 (2012): 72, doi:<http://dx.doi.org/10.1017/S1049096511001739>.

<sup>34</sup> Youngers, *Drugs and Democracy*.



forward, explaining the adverse effects of U.S. drug policy in their countries, and seeking alternative means to curb, holistically, the ill effects of illicit drugs.

## **6. Contributions**

Strong and heartfelt arguments against U.S. drug policy change are compelling. In fact, current research discussions on the unending quest to eradicate illegal drug use reveal little hope for U.S. drug policy change. Intransigent policy makers fail to see the big picture — how current policy simply stagnates the drug problem within the U.S. and worsens the drug problems of the rest of the Western Hemisphere. Jay W. Forester's article titled, "Counter Intuitive Behavior of Social System," explores the frustrations felt as the same failed approach to society's woes led to a fundamentally worse situation because "dynamic behavior of social systems is not understood, government programs often cause exactly the reverse of desired results."<sup>35</sup> Nevertheless, it appears some American states have recognized that decriminalization and or legalization may be an alternative answer to the federal war on drugs. What effect will these state's policy shift have on the federal level? Is this part of a social acceptance process that will lead to federal policy change? If U.S. drug policy does change what effect will this have on U.S.-Latin America relations? This thesis attempts to consolidate and outline the effects, good or bad, that the U.S. drug policy has imbued in U.S. relations with Latin America over the years. U.S. policy and actions may have created a pattern of relationships and side effects in Latin America that can help predict what a continuation and possibly a change of current U.S. drug policy may look like or how this might alter U.S. relations with Latin America and conditions within Latin America. This thesis not only seeks to explore reasonable solutions that may curtail drug related crimes and health issues that current prohibitive policies exacerbate, but, near the end of the thesis, briefly outline steps that may help these policies reach actual implementation.

Finally, a U.S. shift towards decriminalization and legalization could create an increase in U.S. soft power in Latin America. The U.S. could capitalize on unintended consequences of a change in domestic drug policy; the international implications of such

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<sup>35</sup> Jay W. Forester, "Counter Intuitive Behavior of Social System," *Technology Review* (1971): 1.

a change could be profound. That said, the U.S. would have to adjust the roles of its military and counterdrug agencies alike to ensure their individual survival and the smooth transition of U.S. drug policy as a whole. Therefore, this thesis may also seek to address ways to limit possible U.S. military obstinacy resultant from the current drug policy stagnation that Priest describes in her book *The Mission*.<sup>36</sup> How would the U.S. relationship with partner Latin American nations change? The international implications of such a domestic change to U.S. policy are profound and merit intense study.

## **7. Conclusion**

While the consensus exists that U.S. drug policy has stagnated and that the “War on Drugs” has ultimately failed, there is divergence in the reasons why the U.S. continues to pursue a failed policy. With the exception of U.S. policy makers, there is also a consensus that U.S. drug policy has generally had adverse effects in Latin America. While authors cite moral reasons or social reason for a lack of policy change, few pursue a causal analysis to explain the policy continuity. The literature presents the arguments for and against drug policy change; however, this thesis seeks to address how policy thus far has influenced U.S. relations with Latin America and how policy persistence or change may affect those relationships and how persistence or change may affect domestic affairs within Latin America.

## **C. METHODS AND SOURCES**

A historical analysis of U.S. drug policy that discusses when and how drugs became illegal will help build an understanding of how, through careful causal analysis, U.S. drug policy influences U.S. foreign policy toward Latin America. Review of primary and secondary sources may also reveal why the U.S. continues to pursue supply-side policies when the resultant outcome highlights the fact there is no end in sight to the war on drugs.

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<sup>36</sup> Dana Priest, *The Mission* (New York: W. W. Norton & Company, 2003).

The primary U.S. sources for this thesis consist of reviews of foreign programs, such as the Swiss needle exchange program, and reviews of U.S. government commissioned studies of the pros and cons of drug legalization. Primary sources under review, mostly from congressional hearings in the late 1990s and early 2000s, underscore the reasoning for U.S. intransigence in its drug policies. How therefore, is this persistence in a failed policy affecting our relationship with Latin America? The predominant secondary source for this thesis is Youngers' book *Drugs and Democracy in Latin America*. A comparison of several other secondary sources with Youngers' works will help form an understanding of U.S. drug policies second order and tertiary effects on U.S. relationships in Latin America.

Utilizing appropriate secondary sources, the thesis will also explore possible links between current policy and the international power it bestows upon the U.S. The soft power theory may also reveal the dividends that drug legalization could pay to the U.S. in the form of diplomatic and political relations, international trade, and development.

#### **D. THESIS OVERVIEW**

The first section of this thesis will discuss the history of drugs in the U.S. They were not always illegal; therefore, what prompted a change in U.S. policy? How was this change in U.S. drug policy framed? Do the origins of U.S. drug policy help explain its persistence? How has U.S. drug policy evolved over the decades? This section will bring the reader to the first key point of U.S. drug policy matters and examine how they began to set the stage for a significant change in U.S. relationships with Latin America.

The next sections begin to examine key turning points in U.S. drug policy. Namely, the period surrounding the World Wars, and especially the Nixon era start of the infamous war on drugs. How did this new war affect our relationship with Latin America? How did U.S. policy shift with other presidents such as Reagan and Bush the elder? Did this cause a shift in our relationship with the U.S.' southern neighbors? The Bush II era saw the start of the Global War on Terror, and an effort to thwart drug prominent terror-funding sources. These sections will explore if relations with Latin American caused the U.S. to more, or less aggressively fund (supply-side) counterdrug

efforts. The Mission by Dana Priest may help answer the question: Are U.S. agencies trying to justify their existence by vainly pursuing supply side methods of interdiction?

The Final sections will provide an assessment. Have the relationships, explained in the previous sections, been good or bad overall for Latin America. What have been the consequences to the U.S. and Latin America for its persistence in the war on drugs. How will this persistence affect U.S. relations with Latin America in the future? Why has the U.S. persisted in its supply-side policies? Recent news releases point to a scenario where Latin American countries may cease to support U.S. supply-side drug policies in Latin America. This section will also provide a look into the stability of Latin America. It seems to have endured, thus far, in the way on drugs. The thesis will also briefly examine tactics that can politicians and the public spark change. How will U.S. foreign policy towards Latin America change if U.S. drug policy changes? The money saved and earned from the discontinued War on Drugs and revenue from taxing legal drug products can be used to help in Latin American development.

## **II. HISTORY OF U.S. DRUG POLICY**

### **A. INTRODUCTION**

Today, domestic and international movements are seeking alternative methods to solve the modern drug problem. As public opinion turns away from traditional U.S. anti-drug policy, understanding the history that led to this policy is imperative to discerning the effects and strategic implications of enduring U.S. drug policy or a policy of change. This chapter focuses on the origins of U.S. drug policy; it will examine how U.S. domestic concerns and resultant policies contributed to an anti-drug U.S. foreign policy. Notwithstanding an apparent lack of success over the past four decades, the U.S. has maintained a supply- focused policy approach. As it happens, one of the world's largest consumers of illegal narcotics also leads the world's eradication and enforcement efforts. The U.S. is presently the "world's largest consumer of cocaine (shipped from Colombia through Mexico and the Caribbean), Colombian heroin, and Mexican heroin and marijuana."<sup>37</sup> With this in mind, the U.S. also spends more than \$51 billion annually to curb the inflow of illicit drugs.<sup>38</sup>

### **B. ORIGIN STORY**

#### **1. The Whisky Rebellion**

In the U.S. case, the first scenario of controlling mind-altering substances pertained to alcohol. Drugs have been around for a while and perhaps the oldest known form of an intoxicatingly addictive substance, taken for its effects, which cause changes in behavior and perception of reality, is alcohol. Likely around for over 10,000 years, humans preferred alcohol to water. Fermented beverages were safer than ancient water sources, provided more nutrition than water, and possessed psychotropic properties. There are numerous scholars and even a Discovery Channel documentary titled, *How Beer Saved the World*, that explain alcohol as a catalyst that helped spark Western

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<sup>37</sup> Central Intelligence Agency, "Illicit Drugs," The World Fact Book, accessed March 16, 2014, <https://www.cia.gov/library/publications/the-world-factbook/fields/2086.html>.

<sup>38</sup> "Drug War Statistics," We are the Drug Policy Alliance, accessed March 15, 2014, <http://www.drugpolicy.org/drug-war-statistics>.

civilization. In addition to alcohol's incorporation into various religious practices, over time alcohol provided the wealthy a means of conspicuous display and became an important economic force for cross-cultural trade.<sup>39</sup>

Although it was likely the most popular intoxicating substance in the Americas, alcohol was not the only drug brought into the new world.<sup>40</sup> In the early seventeenth century, English settlers founded the colony of Virginia and one of the items brought with them into the New World was the marijuana plant. The plant spread through the New England colonies and served as a staple cash crop until the Civil War. Marijuana was an important commodity; however, it was not a target of contention when the U.S. was forming its government. That said, in the late eighteenth century the newly formed U.S. government's first attempt at regulating a psychoactive substance<sup>41</sup> was with a liquor excise tax. Medical doctor and author Lawrence S. Brown notes in his article, "Substance Abuse and America: Historical Perspective on the Federal Response to a Social Phenomenon," that perhaps the first evidence of U.S. concern over psychoactive substances was when the First Continental Congress recommended "that the 'pernicious practice' of distilling grain be curbed."<sup>42</sup> By means of licensing and taxing the sale of alcoholic beverages, 1791 marked the first U.S. legislation governing alcohol consumption. These early laws were not because of federal concern over the health of the public. The 1794 tax was an attempt by the government to capitalize on alcohol's popularity. This tax would provide substantial revenue and set a precedent the federal government would use again in the future.<sup>43</sup>

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<sup>39</sup> Penn Museum, "The Origin and Ancient History of Wine," University of Pennsylvania Museum of Archeology and Anthropology, accessed April 12, 2014, <http://www.penn.museum/sites/wine/wineintro.html>.

<sup>40</sup> Ibid.

<sup>41</sup> A drug that can produce mood changes and distorted perceptions. *The Free Dictionary by Farlex*, s.v. "psychoactive substance," accessed April 1, 2014, <http://www.thefreedictionary.com/psychoactive+substance>.

<sup>42</sup> Lawrence S. Brown, "Substance Abuse and America: Historical Perspective on the Federal Response to a Social Phenomenon," *Journal of the National Medical Association*, 73, no. 6 (1981): 498; John C. McWilliams, "Through the Past Darkly: The Politics and Policies of America's Drug War," *Journal of Policy History*, 3, no.4 (October 1991): 498.

<sup>43</sup> Brown, "Substance Abuse and America," 359.

One can imagine that around the time of the American Revolutionary War, the citizenry of the new U.S. detested taxation. Western Pennsylvanian farmers, many of whom distilled whiskey to supplement their income, cared little for the new excise tax. The Whiskey Rebellion ensued. In July of 1794, embittered rebels of the Whiskey Rebellion targeted a tax inspector's home for destruction. Against his better judgment, and under the advice of Alexander Hamilton, George Washington sent 13,000 troops to Pennsylvania to subdue the rebellion. By the time the troops arrived the rebellion had dissolved. That said, there were two Pennsylvania men arrested and convicted of treason. Later however, President Washington pardoned these men. The years that followed the rebellion found alcohol and tobacco use unfashionable, and public drunkenness led to the first ideas of temperance. Instead of passing prohibitive laws to limit consumption, government policy favored the encouragement of moderate consumption by using reason and moral persuasion. Brown explains that alcohol was also the first substance used by the American government to oppress an ethnic group—the American Indians. At that time, a communal myth existed that stated natives were more prone to alcoholism, and therefore the government issued laws prohibiting Indian consumption of alcohol. Ideas such as this fueled the flames of the temperance movement. However, the use of reality altering substances continued to be part of America's journey into modernity.

## **2. The Civil War and After**

As America grew so did the market for psychoactive substances. Beyond the increase of alcohol and tobacco use, the consumption of imported opiates jumped in the years preceding the Civil War. The Civil War itself fostered yet more increases in the consumption of tobacco and opiates. The military issued and rationed cigarettes to soldiers, and the use of tobacco and opiates became a significant source of tax revenue for the federal government. Opium was the analgesia of choice on the battlefield and in hospitals alike. Alcohol, on the other hand, fell in profitability as states issued prohibitive laws that limited its targeted federal tax revenue. After the Civil War, consumption of tobacco, alcohol, and opium grew. A new substance also hit the market around this

time—cocaine. The federal government repealed state laws prohibiting these substances, therefore, making them legal; that said, their use was less than respectable and seen as somewhat of a threat to society.<sup>44</sup>

Brown notes a relationship between psychoactive substance use and the ensuing federal response:

Rural and middle class America had become progressively discontent over their perceived loss of status during a period of increasing industrial expansion and immigration. This, together with the support of many churches and the strong efforts of temperance forces, formed the overwhelming majority of the prohibition political base. However, prior to the effective organization of these groups, the powerful tobacco and alcoholic beverage interests, the advertising blitz by the proponents of these substances in concert with the craze over patent medicines (containing varying amounts of opium, heroin, and cocaine), and the almost universal acceptance of these substances by physicians and pharmacists as curealls” led to an almost insatiable demand for psychoactive substance use.<sup>45</sup>

These “psychoactive substances” provided a lucrative market in the U.S. While allowing a profitable market to thrive, the conspicuous consumption for pleasure by some Americans once again acted as a mechanism for groups to lobby the federal government and legally repress ethnic minorities, in this instance the Chinese and African Americans. Anglo Americans viewed the customary opium smoking of Chinese immigrants as an anti-social and anti-American subversive act. Furthermore, “the fear of cocaine was used as a political ploy in the South to rationalize lynchings, segregation, and other tactics to keep blacks in ‘their place.’”<sup>46</sup> Not as profitable a market, alcohol faced a perilous period prior to the Civil War.<sup>47</sup>

Alcohol was the target of contempt around the era of the Civil War. One witnesses a characteristic American prohibitive perspective when studying the case of

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<sup>44</sup> PBS Online, “The Whiskey Rebellion,” <http://www.pbs.org/wgbh/amex/duel/peopleevents/pande22.html>; Brown, “Substance Abuse and America,” 498–99.

<sup>45</sup> Brown, “Substance Abuse and America,” 499.

<sup>46</sup> Ibid., 499.

<sup>47</sup> Ibid., 499.



Rev. John Russell of Michigan. Russell and the Masonic society organized the 1869, Chicago prohibition convention. The Prohibition Party emerged from the conference asserting James Black of Pennsylvania as its front-runner for the presidential election of 1872. Although he stood no chance against Ulysses S. Grant, the Prohibition Party's actions "marked the beginning of organized efforts to ban the sale of intoxicating liquors and, more important, served as the foundation for America's prohibitive approach to its most difficult societal woes."<sup>48</sup> While the alcohol industry suffered the wrath of the prohibitionist movement the narcotics industry grew.<sup>49</sup>

In the nineteenth century, opium, heroin, and morphine were legally sold and common throughout the United States. The five leading and legitimate avenues of acquisition were via a prescription, over the counter in drugstores, in the checkout lane of the grocery and general stores, through mail-order catalogues, and through the flourishing patent medicine industry. Despite its legality, society viewed the use of narcotics as immoral. That said, drug use in the home was not grounds for the removal of one's children nor was it cause for divorce. In fact, according to authors Marvin H. McGuire and Steven M. Carroll, "addicts continued to participate fully in the life of the community, holding jobs, attending school and otherwise contributing to society."<sup>50</sup> At the same time, the anti-alcohol movement was rapidly gaining ground and the prohibitionist sentiment towards alcohol and those who used it was much more fervent and organized.<sup>51</sup>

Prohibitive state laws burgeoned against alcohol in the last half of the 1890s leading to an appreciable decline of alcohol consumption; however, as these laws passed there was a corresponding increase in the use of opiates, tobacco, and cocaine. The pattern of decreased consumption of one psychoactive substance prior to or concurrently with an increase in the consumption of another, repeats throughout American history.<sup>52</sup>

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<sup>48</sup> McGuire and Carroll, "Economics of the Drug War" 2-3.

<sup>49</sup> Ibid., 2-3.

<sup>50</sup> Ibid., 3.

<sup>51</sup> Ibid., 2-3.

<sup>52</sup> Brown, "Substance Abuse and America," 499.

### **3. Food and Drug Import Act to the Harrison Act**

A popular social drug of the day was opium and although prohibitionists focused primarily on alcohol, narcotics would soon again feel the wrath of federal law makers. Up to the turn of the century, states enacted various opium laws that limited its use without a physician's prescription. An 1875, San Francisco law was one of the first: it outlawed opium dens (popular with Chinese immigrants); however, it failed to prohibit opium's use, import, or sale. Anti-drug policy did not begin because of the vast addiction rate of psychoactive substances. Addiction rates at the turn of the twentieth were insignificant; around five times lower than today. The narcotics addiction rate in 1900 was about 0.4 percent;<sup>53</sup> in 2012, 6.8 million Americans (or 2.6 percent) used psychotherapeutic prescription drugs without a prescription.<sup>54</sup> The Interstate Commerce Act, which is the main legal basis for Federal drug regulation today, did not serve the same purpose in the late nineteenth century. In 1886, the Wabash case (state regulation of the railroads) heard before the Supreme Court, resulted in the barring of states from regulating interstate commerce, and asserted that the federal government possessed this authority. Therefore, in 1887, "Congress passed the Interstate Commerce Act, which railroad barons found more appealing than the more restrictive state laws."<sup>55</sup> That said, the first congressional act against opiates was the Food and Drug Importation Act issued on August 30, 1890. This act levied taxes on morphine and opium. From then on, the federal government created several laws and acts directly aimed at opiate use, abuse, and control.<sup>56</sup>

Many scholars agree that the early laws against opium were for the suppression of the Chinese minority. During this period of American history, the federal government focused particularly on the unification of the Northern and Southern states, in limiting

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<sup>53</sup> Robert O. Keel, "Historical Overview of Drug use in America (and around the World)," University of Missouri-Saint Louis, accessed April 13, 2014, <http://www.umsi.edu/~keelr/180/drughistory.htm>.

<sup>54</sup> National Institute of Drug Abuse, "DrugFacts: Nationwide Trends," accessed April 13, 2014, <http://www.drugabuse.gov/publications/drugfacts/nationwide-trends>.

<sup>55</sup> History Matters, "The Supreme Court Strikes Down Railroad Regulation," accessed April 1, 2014, <http://historymatters.gmu.edu/d/5746/>. Wabash, St. Louis, and Pacific Railroad Company v. Illinois, 118 U. S. 557 (1886), 563–577.

<sup>56</sup> Brown, "Substance Abuse and America," 499; The National Alliance of Advocates for Buprenorphine Treatment, "Laws," accessed February 3, 2014, <http://www.naabt.org/laws.cfm>.

foreign influence in the western hemisphere, and sought territorial expansion and consolidation westward to the Pacific. Author Julia Buxton notes in a 2008 policy research working paper, that within this young nation, the ethnic majority launched an

Anti-Chinese campaign that was led by organizations such as the American Federation of Labor and the Workingmen's Party and it came as part of the package of measures that included restrictions on the rights of Chinese immigrants to marry, own property and practice certain professions. As such, the first U.S. drug laws were premised on racial prejudice, not a preoccupation with national health.<sup>57</sup>

Toward the end of the nineteenth century, the U.S. began to shift its vision outward. In 1898, the U.S. annexed Hawaii and under pressure from big business and the media President McKinley pushed forward an expansionist effort after winning the Philippines, Puerto Rico, Guam, and Cuba from the Spanish as a result of the Spanish American War. These actions planted seeds of mistrust throughout Latin America, and would help define future relationships between the U.S. and its southern neighbors. Although the U.S. granted Cuba and Puerto Rico limited autonomy, the U.S. set about the task of bringing the Philippines into modernity. That said, the task of civilizing the Philippines would prove expensive, therefore the governor proposed allowing the more than 190 opium stores to operate and excise revenue from its sale. Christian missionaries in the Philippines were outraged. The Protestant Episcopal Bishop of Manila, Charles H. Brent and the president of the International Reform Bureau (IRB), Reverend Wilbur Crafts, the main American missionary organization in the Philippines, lobbied against such a move.<sup>58</sup>

In 1903, the U.S. formed a commission of enquiry on opium use in the Philippines. This marked the first federal enquiry into the consequences of consuming intoxicating substances. Bishop Brent led the commission and its findings were antithetical to those of an 1895 British Royal Opium Commission, which convened to assure elites that the harmful effects of opium were few and far between, thus ensuring

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<sup>57</sup> Julia Buxton, "The Historical Foundations of the Narcotic Drug Control Regime," World Bank, 9, accessed April 15, 2014, <https://openknowledge.worldbank.org/handle/10986/6571>.

<sup>58</sup>Ibid., 10.

the UK's participation in the lucrative trade of the substance. Buxton explains that the Philippines Commission found the unregulated opium market to have "grave effects on the health and moral capacity of users."<sup>59</sup> The commission recommended that medical needs alone dictate opium import, sale, and use. The U.S. government accepted the recommendations of the commission and thus ended a tradition introduced by the Dutch in 1700; the uninhibited use of opium was no more.<sup>60</sup>

This step marked the beginning of the now-familiar entanglement of drug policy and foreign policy, and the birth of what might be called "narco-diplomacy." The Commission recognized that for their recommendation to succeed, the U.S. government had to undertake international agreements. Countries that produced these drugs needed to cease its importation into the Philippines in order for the domestic prohibitive laws to work. From this period in U.S. drug policy history two important tenants emerge. The use of psychotropic drugs had come to be viewed as wrong in itself; therefore, the federal government must regulate such drugs to protect its citizens. For this to happen, the U.S. had to engage in diplomacy to reduce the influx of narcotics supplied by foreign nations. Buxton sums up the consequences of this well: "This prohibitionist, supply-side (focus) shaped the structure and orientation of the international control regime that was to emerge."<sup>61</sup> Although previous instances had proven futile due to the development of black markets to feed the still present demand, the enforcement of prohibition through punitive measures and the cooperation of partner producer nations, helped in its success. However, partner nations viewed the U.S. government's punitive measures against narcotics users as extreme and proved a source of contention in the coming years.<sup>62</sup>

For U.S. narco-diplomacy to have weight in the international realm, the federal government had to emplace an anti-drug domestic policy. To capitalize on ruling of the above mentioned 1886, Wabash/railroad case, the U.S. federal government introduced the Pure Food and Drug act of 1906, which did not prohibit the use of drugs but required

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<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid., 10–11.

doctors and pharmacists to label items that contained morphine, alcohol, opium heroin, chloroform, cocaine, or marijuana. Prohibitionists were dissatisfied with these measures because they believed the consumption of any of the items listed above was morally wrong and thusly, should be illegal. President Roosevelt observed the growing domestic concerns over drugs as an opportunity to garner support at home as well as a platform in which to speak on an international stage promoting the U.S. as a power player in that arena.

In 1909, the first ever international meeting over drug concerns, the Shanghai Opium Commission, served as a vehicle for the U.S. to enact an amendment to the 1906 Pure Food and Drug Act. Touted as an illustration of U.S. concern over international drug trafficking, the U.S. hoped to alleviate tensions with China by limiting the medicinal uses of opium, prohibiting the importation of smoking opium, and introducing a burdensome tax on domestically produced smoking opium. This is one of the first instances of domestic drug policy directly influencing U.S. foreign policy relationships. The 1909 conference was also a first in domestic drug policy influencing foreign policy with Latin America. The U.S. recognized that several Latin American countries desired to enter into the profitable coca market. As they were not present at the conference, Latin America was an essential partner that would help ensure U.S. desires of controlling the international trafficking market were possible. Latin America was still without representation during the following conference hosted by the Netherlands. The 12 nations that were present decided its outcome and created article 22 of the convention that named all nations involved in the global drug trade. Editor of *Drugs in the Western Hemisphere: Cultures in Conflict*, William O. Walker notes that, then Secretary of State Huntington Wilson, failed to recognize Latin America's participation in the desired policy would cause those Latin countries Great "social, economic, and political dislocation at home."<sup>63</sup> Wilson's note of April 15, 1912, a section of which is reproduced below, takes no notice of the mismatch between "U.S. policy objectives and the place of drugs in the daily lives of many Latin Americans, both in and out of government, [U.S. policy maker's attitudes

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<sup>63</sup> William O. Walker, ed., *Drugs in the Western Hemisphere: An Odyssey of Cultures in Conflict* (Wilmington, DE: Scholarly Resources, 1996), 51.

of the day indicated a] likelihood of cultural clashes in the region over the nature and extent of drug control.”<sup>64</sup> With no regard to the chaos that U.S. policy could cause Latin American states, Wilson encourages his diplomatic officers in Latin America to secure Latin American participation and alliance with U.S. interests:

There was a general agreement at the Conference that the signature of the Convention of the Latin American States was essential, if the convention was to become effective in causing the stopping of the unnecessary production and use of and traffic in the drugs dealt with, in suppressing the great moral and economic evils associated with the abuse, and in thereby achieving the laudable and practical object of the governments which were parties to the International Opium Commission and the International Opium Conference.<sup>65</sup>

Therefore, the U.S. undertook diplomatic communication and maneuvering to ensure that all of Latin America would become signatories to the convention that resulted from the 1911 International Opium Conference in Hague. Domestic lobbying continued in the U.S. and took on racist overtones, portraying ethnic minorities as creatures transformed and made even more evil by the consumption of psychotropic substances, creating a bane to American society. In this era of growth, the fear of minorities, and the U.S. trying to find its place in the international community, the federal government began to seek out a means of drug control enforcement within its borders.

#### **4. The 1914 Harrison Narcotics Act**

The Harrison Narcotics Act was the first document that gave the U.S. government teeth in the domestic fight to eliminate drug use. Earlier attempts at introducing similar laws failed. For example, Congressman David Foster introduced a bill in April 1910 that had similar control goals; however, the bills harsh penalties and the inclusion of patent medicines caused Congress to reject the bill. The years that followed brought about a new Congress; Democrats controlled the 62nd Congress of 1912, and felt a strong influence from the South’s race mentality (see Figure 1).

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<sup>64</sup> Ibid.

<sup>65</sup> Ibid.

Author John C. McWilliams notes that this Congress was more accepting of “claims that cocaine was to blame for many of the assaults committed by blacks against whites.”<sup>66</sup> Anti-drug proponents also played on the societal turmoil brought about by World War I (WWI). American families feared that their children could become victims of Asian opium-addicts; the American public held this idea over from the “Yellow Peril” fear at the turn of the twentieth century (see Figure 2).<sup>67</sup>



Figure 1. 1914 magazine article on cocaine.<sup>68</sup>

<sup>66</sup> McWilliams, “Through the Past Darkly,” 361.

<sup>67</sup> Ibid.

<sup>68</sup> Edward Huntington Williams, “Negro Cocaine ‘Fiends’ Are a New Southern Menace; Murder and Insanity Increasing Among Lower Class Blacks Because They Have Taken to ‘Sniffing’ Since Deprived of Whisky by Prohibition,” *New York Times*, February 08, 1914, <http://query.nytimes.com/gst/abstract.html?res=9901E5D61F3BE633A2575BC0A9649C946596D6CF>.





Figure 2. 1899, “Yellow Terror” editorial cartoon.<sup>69</sup>

An aggressive media campaign and the efforts of Congressman Francis B. Harrison made the new drug law possible. The Harrison Act was a culmination of years of effort. Laurence Brown explains:

The climax of federal involvement during the era of progressive reform was the Harrison Act (1914). In the background of well publicized associations between tobacco and alcohol, between alcohol and opium, and between opium and crime, the attitudes of pre-World War I America culminated in regulatory laws directed at foreigners and ethnic minorities. Although the foregoing was important, the federal response was motivated

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<sup>69</sup> “The Yellow Terror in All His Glory,” 1899, accessed April 22, 2014, [http://en.wikipedia.org/wiki/Yellow\\_Peril](http://en.wikipedia.org/wiki/Yellow_Peril).



more as an attempt to fulfill the U.S. obligations in international agreements. Resulting from the 1911 and 1912 Hague Conventions, these agreements consisted of promises by member countries to restrict opium production to medical and scientific research, to enact laws prohibiting opium use, and to control the manufacture, sale, and use of morphine and codeine.<sup>70</sup>

A tax measure designed to regulate the distribution of narcotics, the Harrison Act allowed institutions to operate beyond the act's original intention. The act required "all persons who imported, manufactured, distributed, or handled the regulated substances to register and pay an occupation tax." However, because the act did not preclude the interference with medical practices the Bureau of Internal Revenue used the act as a prohibition law. According to Brown, "The Bureau determined that opiate dependence was not a disease and that dispensing or prescribing opiates to dependent persons was not 'in the course of his professional practice' or 'for legitimate medical purposes.'" <sup>71</sup> Thus, U.S. government institution began loose interpretation of legislation to achieve the moral ends of eliminating drug use in the U.S.<sup>72</sup>

McGuire and Carroll note that the *New York Medical Journal* published an article on the effects of the government's prohibitionist efforts. On May 15, 1915, within six weeks of the prohibitive legislation the journal reported:

The immediate effects of the Harrison antinarcotic law were seen in the flocking of drug habitués to hospitals and sanatoriums. Sporadic crimes of violence were reported too, due to the desperate efforts by addicts to obtain drugs, but occasionally to a delirious state induced by sudden withdrawal.<sup>73</sup>

In light of the domestic chaos the Harrison Act caused, the Act was important to the government because of American international interests, not because of domestic concerns. Interestingly, the desire to emplace federal control of tobacco, marijuana, and

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<sup>70</sup> Brown, "Substance Abuse and America," 500.

<sup>71</sup> Ibid.

<sup>72</sup> Ibid., 500–01.

<sup>73</sup> *New York Medical Journal*, "Mental Sequelae of the Harrison Law," 102 (May 1915): 1014, National Institute on Drug Abuse, January 2002, <http://www.nida.nih.gov/DrugPages/Risky.html>; quoted in McGuire and M. Carroll, "The Economics of the Drug War," 3.

cocaine were not yet present. Tobacco was a profitable U.S. commodity and despite state laws prohibiting the nonmedical use of marijuana, cocaine, and opiate products, most Americans only used the term temperance when speaking of alcohol. Alcohol prohibition became a contentious subject over the next few years.<sup>74</sup>

Although earlier attempts of a prohibition amendment failed, after the U.S. entered WWI, prohibitionists used the war effort to rally public support. Astute anti-narcotic advocates bandwagoned on the rising popularity of alcohol prohibition and together helped manifest the Red Scare of 1919 as U.S. nationalism burgeoned and an intense fear of Bolsheviks swept the nation. These groups also associated beer with the Germans (see Figure 3). Combining this image of alcohol with anti-narcotic rhetoric allowed these groups to portray these substances as a threat to the American war effort in WWI. In the eyes of the American public, maintenance therapy,<sup>75</sup> once an accepted method of detoxification, became almost universally associated with the Nazi mainstay of socialism (see Figure 3). In 1920, the eighteenth Amendment and 1920 Volstead Act prohibited alcohol consumption. The Volstead Act allowed the Prohibition Unit of the Treasury to establish a narcotics division. The Supreme Court also played a role in this period by allowing amendments to the Harrison Act that “provided sterner maximum federal penalties, extended the prohibition provisions to cover coca leaves, cocaine, and opium derivatives, and prohibited heroin importation entirely.”<sup>76</sup> On the international front in the campaign against narcotics, the U.S. and the League of Nations that arose after WWI formed the Opium Advisory Committee (OAC) out of the desire to create an international drug control regime.<sup>77</sup>

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<sup>74</sup> Brown, “Substance Abuse and America,” 501.

<sup>75</sup> Drug replacement and maintenance therapy have a long history of providing individuals struggling with problematic drug use with legal access to drugs that would otherwise be obtained through illegal means. We are the Drug Policy Alliance, “Drug Replacement and Maintenance Therapy,” accessed April 18, 2014, <http://www.drugpolicy.org/drug-replacement-and-maintenance-therapy>.

<sup>76</sup> Brown, “Substance Abuse and America,” 501.

<sup>77</sup> Ibid.



**CAMOUFLAGE**

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Figure 3. WWI political cartoon: A German-American displays an American flag in public, but hoists a beer to the Kaiser in private.<sup>78</sup>

In 1924, Conferences in Geneva sought to define the “legitimate” medical drug market, and the Geneva Convention of 1928 expanded a control system to regulate the import and export of narcotics in hopes of preventing the export of drugs beyond the

<sup>78</sup> James Montgomery Flagg, “Camouflage,” accessed April 22, 2014, <http://www.authentichistory.com/1914-1920/2-homefront/4-hysteria/>.

medical and scientific requirement determined adequate by the OAC. Aside from refining the institutional structure and scope of drug control efforts, the 1928 Convention pulled more drugs under their umbrella of control and took the lead in classifying drugs according to their scientific relevance and hazards. That said, the Geneva Convention failed to keep licit drugs off the illicit market. In 1925, the OAC determined that 39 tons per year, for the next four years, would meet the international community's medical and scientific needs. However, licensed production facilities shipped approximately one hundred tons of opiates per year to undisclosed locations over that period. Meanwhile, the domestic situation in the U.S., resulting from stricter drug laws, grew grim.<sup>79</sup>

McGuire and Carroll explain one should have no trouble identifying the negative fiscal and government effects of Prohibition. The 1929 Porter Narcotic Farm Bill and further legislative restrictions based on the Harrison Act helped government spending and the drug dependent population of federal prisons explode. The federal government spent \$3.59 million on Prohibition of alcohol and drugs (approx. \$44.4 million in 2014). By 1930, it rose to \$44.03 million (approx. \$596.6 million in 2014). Furthermore, the construction of federal prisons nearly doubled as the prisoners prosecuted via federal authorities rose from 91,669, in 1925, to 137,997 in 1932 (increasing 51 percent in seven years). As demand to terminate prohibition grew, narcotics control and alcohol prohibition became separate issues, by 1933, the passage of the 21st Amendment ended prohibition.<sup>80</sup>

## **5. The Interwar Period after Prohibition**

With the success of amending the Constitution and achieving national alcohol prohibition in 1918, leading activists turned their attention to the anti-drug campaign. In the early 1920s, the International Narcotic Education Association distributed “racist, eugenicist, hyperbolic and medically incorrect ‘information’ about the ‘Narcotic Peril.’”<sup>81</sup> Entrenched in the mainstream media and embedded in the thinking of the day,

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<sup>79</sup> Buxton, “Historical Foundations,” 14.

<sup>80</sup> Brown, “Substance Abuse and America,” 501-02; McGuire and Carroll, “The Economics of the Drug War,” 4; Buxton, “The Historical Foundations,” 16–20.

<sup>81</sup> Buxton, “The Historical Foundations,” 19.

support for drug prohibition endured beyond the end of the prohibition. The lessons of prohibition were lost on anti-drug proponents. Buxton literates the failures of prohibition and the doomed future of anti-drug policy succinctly:

Although alcohol prohibition had generated a flourishing, difficult to police, gangster dominated illicit industry worth millions of dollars, pressure for domestic and international drug prohibition persisted ...<sup>82</sup>

While spooling up the anti-drug campaign at home, the U.S. congruently participated on the international level to bolster their domestic efforts.<sup>83</sup>

On the international front, the U.S. participated in a 1931 convention meant to address the failures of the earlier anti-drug Geneva conventions of the 1920s. The 1931 Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs sought to fix, in advance, the quantity of drugs needed to meet global requirements. As per the convention, no country could produce any quantity of regulated drug beyond the conventions determined quantity. Furthermore, the Convention garnered the power to embargo any country that violated this tenant. The convention also required Signatory states to establish a dedicated drug enforcement agency to enforce domestic drug laws to keep their nation compliant with international obligations.<sup>84</sup>

The power players of the day, countries like Japan, also manufactured the narcotics in question. These manufacturing nations ostracized the new push to quail a good source of national revenue and thus passed the blame of the slow progress of the international movement on the backs of producer nations. Before limiting their manufacturing market, countries like Japan pushed for strict limitations on states that grew the drugs. From this, enormous pressure mounted on Latin American producer states. Although hesitant, the international community forced Latin American states to recognize their drug subcultures, the domestic problems that these subcultures caused, and the lack of their ability to do anything about it. Unfortunately for Latin America, its inevitably slow response to international drug control policies indicated obstinacy and

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<sup>82</sup> Ibid., 20.

<sup>83</sup> Ibid., 19–20.

<sup>84</sup> Ibid., 20.

political failure in the eyes of the U.S. Particularly the states of Honduras and Mexico fell into U.S. crosshairs; the latter retorted that the U.S. needed to up its ante on its own domestic drug issues. Already years in the making and with a bit of irony against the Mexican state, the Marihuana Tax Act of 1937 resulted as an attempt to increased domestic control of the U.S. drug market.

After an investigation into the questionable activities of the former deputy commissioner of the Prohibition Bureau, Harry J. Anslinger, headed up a newly independent anti-narcotics bureau within the treasury department, the Federal Bureau of Narcotics (FBN). With his history as a bureaucrat and supported by the pharmaceutical lobbyist, Anslinger pushed for heavy-handed measures to deal with addicts and traffickers. In the middle of the Great Depression, Anslinger skillfully negotiated the era preventing his bureau's merger with others in fiscal consolidation efforts and he managed to secure funding to keep his agency afloat by solving high profile drug cases of the time. To secure his bureaus future, Anslinger recognized a new drug could serve as a threat base for the next few years. This drug was popular in the southwest, a recreational staple of the Mexican-American community.<sup>85</sup>

Needing to bolster its moral high ground in the international community, the U.S. government gainfully aligned itself with anti-marijuana legislation that Anslinger backed. In conjunction with conservative newspapers, Anslinger told tales of FBN encounters and cases were those who smoked the drug committed unthinkable acts. Although Anslinger did not create the marijuana scare, he propagated it advocating its dangers to society any chance he could. Figure 4 is an example of the type of stories that fueled the 1930s, Anslinger anti-marijuana propaganda mill. Congressman Robert L. Doughton introduced a bill in 1933 that imposed “an occupational excise tax upon certain dealers in marihuana to impose a transfer tax upon certain dealings in marihuana, and to safeguard the revenue therefrom by registry and recording.”<sup>86</sup> In 1937, Doughton's efforts would result in legislation that became the model for future U.S. antidrug policy. Congress supported the Marihuana Tax Act, although it was obvious that some of its supporters

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<sup>85</sup> McWilliams, “Through the Past Darkly,” 365.

<sup>86</sup> Doughton quoted in McWilliams, “Through the Past Darkly,” 366.

knew little about the drug. Author John C. McWilliams recounts events that occurred on the house floor immediately preceding the passage of this legislation.

Even members of Congress who supported the legislation betrayed a lack of knowledge about marijuana. Congressman John D. Dingell (D-Mich.) thought marijuana was the same as locoweed.<sup>87</sup> When the bill was presented for debate on the house floor, Congressman Bertrand H. Snell (R-N.Y.) asked, “What is the Bill?” Representative Sam Rayburn (D-Tex.) replied, “It has something to do with something that is called marihuana. I believe it is a narcotic of some kind.” The debate on the house floor lasted less than half an hour. Only one witness, Dr. William C. Woodward, legislative counsel for the American Medical Association, opposed the bill during the hearings. The committee’s reaction was hostile. Not only did members ignore Woodward’s objections, but several questioned his credentials and challenged virtually every statement he made against the legislation.<sup>88</sup>

Anslinger was the largest supporter of this bill and recognized as the authority on marijuana use, erroneously linked mental insanity with marihuana use with stories similar to those depicted in Figure 4. McWilliams recalls Anslinger’s favorite marijuana case:

Twenty-one-year-old Victor Licata, a young Mexican in Florida who, “under the influence of marijuana,” axed his mother, father, two brothers, and sister to death. [Stories such as these kept congressional] members horrified. Licata did smoke marijuana, he did have an axe, and he did murder his family. Anslinger’s testimony was factual, but it was not complete. He did not mention that eleven days after the murder a psychiatric examination report appeared in the *Tampa Times* confirming that Licata was criminally insane and subject to “hallucinations accompanied by homicidal impulses.” Authorities also concluded that his insanity was most likely inherited and was not marijuana-induced.<sup>89</sup>

Anslinger successfully established the government’s marijuana-insanity link. This link had an enduring effect on public opinion for at least the following 25 years. Similar to the Harrison Act, Congress designed the Marihuana Tax Act as a tax revenue measure; however, it soon became a mechanism for drug enforcement. The domestic and

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<sup>87</sup> Loco weed: Any of several plants of the genera *Oxytropis* and *Astragalus* in the pea family, which are widespread in the western and central United States and cause severe poisoning when eaten by livestock. Also called crazyweed, loco. *The Free Dictionary by Farlex*, s.v. “loco weed,” accessed April 1, 2014, <http://www.thefreedictionary.com/locoweed..>

<sup>88</sup> McWilliams, “Through the Past Darkly,” 367.

<sup>89</sup> *Ibid.*, 367.

international sociopolitical climate of the day allowed for these bills to pass and evolve over time. Those that enforced these laws utilized punitive measures, and urged the judicial system to permanently imprison drug offenders. Anslinger's tough approach to drug enforcement became the standard over the next 30 years.<sup>90</sup>

The decade before World War II (WWII) marked the true beginning of the U.S. allowing its domestic policy to shape its relationship with Latin America. Once falling into the realm of a public health issue (if any) in Latin America, drug control pressure from the United States pushed for Latin American nations to view drug control as a law enforcement issue and called for stricter adherence to international conventions and for Latin America to help the U.S. meet its desire to end illicit drug use.

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<sup>90</sup> Ibid., 368.



# WHEN GANGDOM RULED

AN ILLUSTRATED CHRONICLE OF THE TURBULENT TWENTIES BY WINDAS



Figure 4. Detective Tales comic on the perils of marijuana.<sup>91</sup>

<sup>91</sup> Cedric W. Windas, "When Gangdom Ruled," Detective Tales, March 1946, *Postino Insomnia Blog*, accessed April 22, 2014, [http://1.bp.blogspot.com/-vqU0QJAeti4/T5M\\_8p5itnI/AAAAAAAAAI8/EBkFdbFJURg/s1600/Detective+Tales+V32N02-43-1946.jpg](http://1.bp.blogspot.com/-vqU0QJAeti4/T5M_8p5itnI/AAAAAAAAAI8/EBkFdbFJURg/s1600/Detective+Tales+V32N02-43-1946.jpg).

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### **III. PRE-WWII U.S.-LATIN AMERICAN RELATIONS**

#### **A. HISTORICAL BACKGROUND OF MISTRUST**

The starting point of U.S. drug policy in Latin America followed a long history of U.S. economic expansion and military intervention in the region. Spanning from the 1898, intervention in Cuba, to the U.S. involvement in the 1954, Guatemalan coup, which was well into the global antidrug campaign, aggressive U.S. policies and reactionary fervor led to a legacy of suspicion, mistrust, and antipathy toward U.S. motives in Latin America.

President Franklin Roosevelt took office in 1933, with the resolute intention of reestablishing a prudent and sincere relationship with Latin America. Roosevelt proposed the Good Neighbor Policy (GNP), a policy of cooperation and trade with Latin America that would replace military action as the primary means to defend U.S. interest in the Western Hemisphere. However, Roosevelt's policies were only moderately effective at assuaging Latin American disdain for imperialist tendencies imbedded within previous U.S. behavior. The GNP faced challenges in Latin America, as some countries held that the U.S. was still promoting the economic subservience of Latin America, and a policy of "what is good for me [the U.S.] isn't necessarily good for you [Latin America]."<sup>92</sup> U.S. actions along the way, especially those in Guatemala, undermined the GNP and fed Latin American mistrust of the U.S. The following subsections rely heavily on the few sources found that cover this period of U.S.-Latin America relations concerning drug policy.

#### **B. MARIJUANA AND RELATIONS WITH MEXICO**

Although there was a history of mistrust towards the U.S., Latin American countries moved forward with the rising superpower, following its lead in the global anti-drug campaign that began following the first international drug summit, the Shanghai Opium Commission of 1909. U.S. prohibitive policies towards alcohol failed. New political targets needed to emerge and events surrounding WWI and the 1924, Geneva

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<sup>92</sup> Office of the Historian, U.S. Department of State, Milestones: 1921–1936, "Good Neighbor Policy, 1933" accessed September 24, 2013, <http://history.state.gov/milestones/1921-1936/GoodNeighbor>.

commission made drugs and rational target. Author Lawrence Brown explains that prohibition was unsuccessful for two reasons. First, prohibitions failed because the majority of Americans were proponents of moderate alcohol consumption and were only against excessive drinking and drunkenness. Secondly, the period of the Great Depression was difficult enough; jobs lost due to prohibition exacerbated the situation, not to mention the loss of potential revenue from not being able to tax alcohol. Prohibition only worsened the situation surrounding the Depression and left room for the growth of other vices. The substances of choice were tobacco and marijuana. The use of these substances skyrocketed. Cigarettes were becoming fashionable, thanks to a massive marketing campaign, and marijuana was much easier to procure than alcohol. With the failure of prohibition, the profitability and popularity of cigarettes protecting that market, prohibitionist attention turned towards marijuana.<sup>93</sup>

One must garner a brief background in order to understand why marijuana became a popular drug during the depression and why it became a target of opportunity for politicians thereafter. Following the 1910 Mexican Revolution, an influx of Mexican immigrants brought the popular recreational use of marijuana with them across the border. An affordable alternative to alcohol, marijuana became available to purchase for .25 cents at “Tea Pads” that popped up all over the country. PBS.org reports that by 1930, 500 “Tea Pads” existed in New York City alone. These pads also became popular to the black “hepster” jazz culture. Association with minorities and with the recreational use of marijuana, known to the public as Mexican in origin, the existence of marijuana use in America led to an increase of resentment and fear of the Mexican immigrants who brought this habit with them across the border. Federal control over psychotropic substances failed and upset the moral order of society, frustrating American citizens and worrying politicians seeking to maintain office. Eager to delegate responsibility and avoid a severe backlash, the U.S. government began to re-examine their prohibitive policies.<sup>94</sup>

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<sup>93</sup> Brown, “Substance Abuse and America,” 502.

<sup>94</sup> Ibid.; PBS, “A Social History of America’s Most Popular Drugs,” *Frontline*, access April 21, 2014, <http://www.pbs.org/wgbh/pages/frontline/shows/drugs/buyers/socialhistory.html>.

With the failure of prohibition, the federal government once again favored the state enactment and enforcement of drug laws. State politicians had their own local issues to tend and sought ways to gain favor from their constituency. Therefore, southwestern states, along the border of Mexico pressed the government to tighten immigration controls. Brown asserts that border states used the marijuana issue to “obtain stricter federal barriers to Mexican immigration so that these states might be able to rid themselves of an unwelcomed manpower surplus in regions devastated by unemployment.”<sup>95</sup> Once again, U.S. drug policy became a mechanism to meet the needs of domestic interests. These domestic issues, setting the precedent for future interactions, shaped U.S. foreign policy with Latin America. The main source of the marijuana supply came from Mexico; therefore, the FBN began a foreign policy campaign to coerce Mexico into helping the U.S. curb marijuana use within American borders.<sup>96</sup>

Leading up to WWII, Anslinger’s influence on foreign relations with Latin America is palpable. Consul William P. Blocker, in Ciudad Juarez, which borders El Paso Texas, wrote the State Department to report on the drug situation in his area of responsibility on April 23, 1931. In his letter, Blocker explained that he recently met with a special representative of the Mexican government, charged with stamping out the drug problem in Ciudad Juarez. This drug agent recognized that Ciudad Juarez (see Figure 5) was a hotbed for cross-border smuggling and sought to assist Blocker in every way possible. Blocker noted the influence of Anslinger’s FBN within the text. American authorities from the treasury department contacted the Mexican government who, near instantly, took action to address the situation in Ciudad Juarez.<sup>97</sup> The Mexican government gave its Ciudad Juarez drug enforcement agent the full support of military authorities located to the south in Chihuahua. Blocker explained that this Mexican drug enforcement agent distrusted the civil authorities in Ciudad Juarez, thinking them corrupt. Blocker was hopeful that this new vivacious attitude exhibited by the Mexican government through this special representative would allow him to thwart the root of the

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<sup>95</sup> Brown, “Substance Abuse and America,” 502.

<sup>96</sup> Ibid.

<sup>97</sup> Walker, *Drugs in the Western Hemisphere*, 60–61.

trafficking scourge that was originating in Mexico. If thought guilty of drug crimes in *Ciudad Juarez*, the drug enforcement agent claimed he would send criminals to Mexico City for trial, were the courts would prosecute and send them to a penal colony in the Islas Marias.

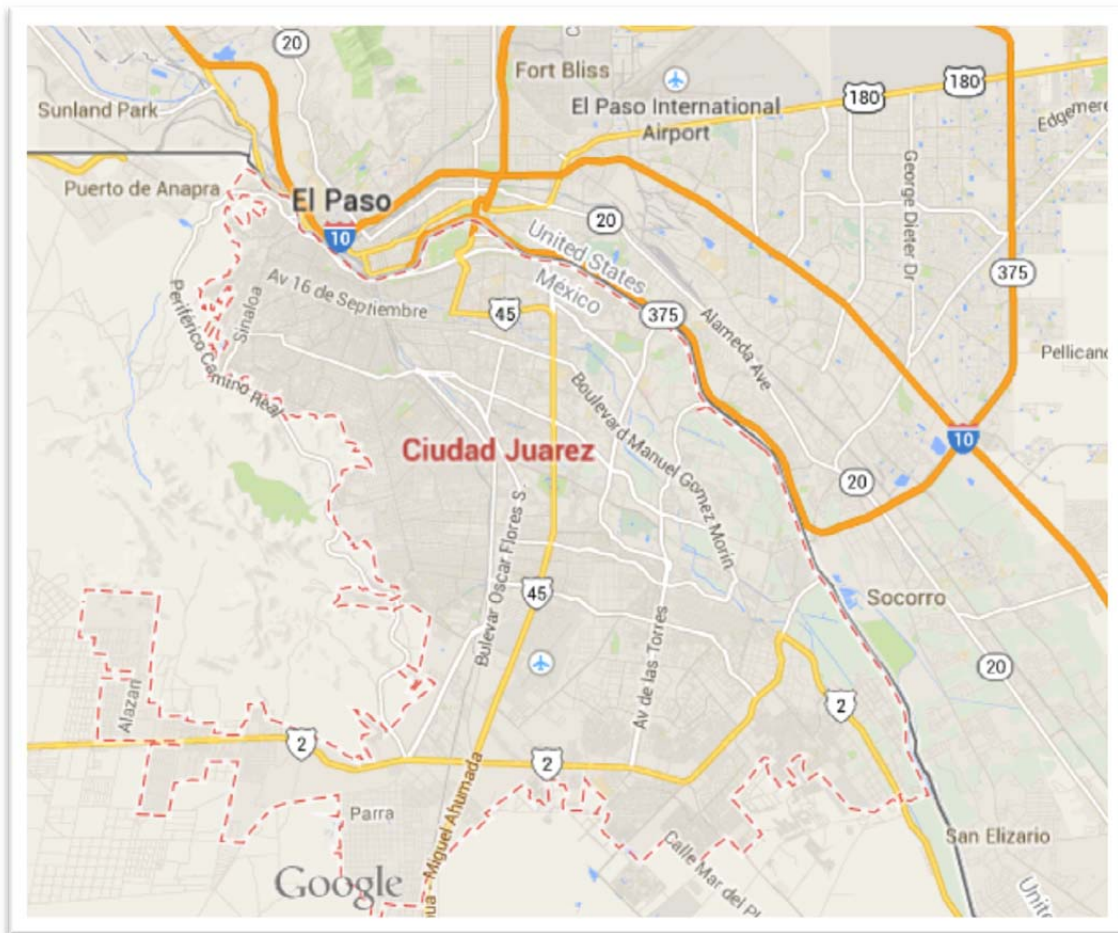


Figure 5. Map of *Ciudad Juarez* courtesy of Google Maps.

Blocker explained that the Mexican military post in Chihuahua was also sending two hundred troops to patrol the U.S.-Mexican border and the General in charge of this military group recently visited the U.S. and offered an information sharing relationship with any authorities interested in stopping cross-border smuggling operations. Finally, Blocker believed, the Mexican government was willing to help the U.S. stamp out the

drug problem that plagued the Mexican border city. The situation that Blocker describes seems to exemplify that the FBN's efforts to coerce the Mexican government were successful<sup>98</sup>

Alas, Blocker's hopes turned to frustration as the reality of the Mexican government's tepidness towards the problem became evident. The media within Mexico also participated in the politics of cross border drug control policies. On May 21, 1936, the newspaper *Excelsior* became part of the public discussion on marijuana. U.S. efforts to stymie this drug gave the Mexican media an inroad to challenge corruption in their local government and social problems plaguing their communities. The newspaper charged that:

Certain unscrupulous authorities turn a blind eye and a deaf ear to the traders who are able to bribe them. Agents and inspectors drawing wretched salaries, policemen seeing their salaries "bitten" by their own companions, and "coyotes" going around the courts and prisons, constitute effective traffickers by providing good hiding places so that drugs and marijuana may be passed around without trouble.<sup>99</sup>

The *Excelsior* also took on the quest against marijuana to define a cause for the social detriments within Mexico. They saw a root cause for these problems originating in marijuana addicts. According to Walker, "These persons, it goes without saying, do not work, and rob or steal in order to secure their marijuana. And soon, there arises a chain of offences against property and against life itself which flows from the marijuana business."<sup>100</sup> *Excelsior* demanded a tougher response from the Mexican government to address the marijuana issue. Articles such as this helped spark and further debate among the Mexican people. The *Excelsior* helped validate and make real, issues that the Mexican public knew all too well. Much to the citizenry's chagrin, the Mexican

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<sup>98</sup> Ibid., 51.

<sup>99</sup> Ibid., 63.

<sup>100</sup> Ibid., 63.

Government, especially local authorities, seemed to ignore these issues; issues such as a corrupt and underpaid police force. These news articles also helped the U.S. in its effort to toughen its stance against Mexico.<sup>101</sup>

Although Mexican authorities did put forth effort to help solve the drug problem, the U.S. was not content and displayed a one-sided approach to handling certain aspects of cross-border drug control. For example, in November 1936 Ambassador to Mexico, Josephus Daniels, realized that U.S. efforts in the drug war might have been contrary to President Roosevelt's Good Neighbor Policy. Ambassador, Josephus Daniels got wind that the U.S. had sent drug enforcement agents over the Mexican border without Mexican approval. He protested that such action served no purpose and could possibly offend the Mexican government. Walker goes on to explain that Mexico wanted to expand and improve its antinarcotic program. In 1937, the chief of the anti-narcotics agency in Mexico requested permission from Ambassador Daniels to meet in a border city to discuss alterations to earlier agreements. Mexican officials wanted their drug enforcement agents to be allowed to cross over the border into the U.S. if need be. Narcotics authorities in Washing turned down this request as they had done some years before. The U.S. had no trouble funneling agents into Mexico as it saw fit, but would not allow Mexico into the U.S. for any reason. This one sided approach to the drug problem left Mexico seeking other options in its fight to control drug trafficking in Mexico.<sup>102</sup>

The success of Mexican drug control was limited. Mexico had trouble producing evidence of any lasting success. Newspapers within Mexico also fell prey to Anslinger's viewpoints on the extreme dangers of marijuana, publishing sensational stories of marijuana induced insanity and violence. U.S.-Mexican drug control talks went back and forth around the time of the 1937, U.S. Marijuana Tax Act to no avail—no formal bilateral plans ever developed. A New Mexican Drug Czar, Leopold Salazar Viniegra formulated his own plans to reduce illicit drug trafficking in Mexico. Garnered from a meeting in 1937, Walker explains Salazar's intentions:

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<sup>101</sup> Ibid., 61–63.

<sup>102</sup> Ibid., 65–66.



Mexico, he stated, could only reduce the flow of illegal drugs through government-controlled distribution, with the aid of an expanded antidrug educational campaign, and through the construction of more hospitals to treat addiction. Salazar did not underestimate the difficulty of the task. “It is impossible to break up the traffic in drugs,” he told [supervising San Antonio customs agent, H.S. Creighton], “because of the corruption of the police and special agents and also because of the wealth and the political influence of some of the traffickers.” During the meeting, Salazar mentioned that he did not consider it his duty to act as a policeman in supervising drug control activity. In so doing, he implicitly warned that his policy on control would probably not parallel that of the United States.<sup>103</sup>

Salazar did want to cooperate with the U.S. He supervised the burning of poppy fields and other U.S. preferred tactical drug control activities; he simply took a different strategic approach to drug control. This drew protest from U.S. officials who complained to Mexican authorities. Salazar sought to minimize the punitive approach to antidrug policy. Salazar advocated a treatment approach and called for hospitals and dispensaries to supervise the recovery of those in need. He also envisioned a state monopoly on the sale of drugs. This would have been a great source of revenue for the developing country. The U.S. remembered the failure of its dispensary efforts in antecedent years and projected the same results for Mexican programs. The U.S. believed that only the “strict supervision of commerce in drugs and confinement of addicts could eliminate the trade.”<sup>104</sup> The U.S. viewed Salazar’s approach as a nullifying factor that would completely render U.S. efforts fruitless.<sup>105</sup>

Salazar also published a longitudinal study that spanned 14 years and studied the effects of marijuana smoking by the Mexican lower class. The study revealed that there was no evidence to suggest psychosis resulted from marijuana use. Marijuana did not create violent or criminal impulses and in fact, created far fewer social problems than alcohol abuse.<sup>106</sup> These findings were exactly opposite of those of the FBN and Anslinger. Salazar was ridiculed by the U.S. and even newspapers in his own country.

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<sup>103</sup> Ibid., 67.

<sup>104</sup> Ibid., 68.

<sup>105</sup> Ibid., 67–68.

<sup>106</sup> Ibid., 66.

These attacks forced Salazar to continuously defend the study and his desired policy of drug control. Walker explains that through all of this Salazar still believed:

That the solution to drug problems did not rest with the jailing of addicts or the expenditure of large sums from the national treasury to track elusive smugglers. He felt that U.S. antidrug efforts, for example, suffered from this overly punitive and costly approach. Salazar wanted governments to alter their traditional perceptions of addicts and addiction. This meant revising, he declared, “the concept of the addict as a blameworthy, antisocial individual.”<sup>107</sup>

These ideas were completely opposite of those in the U.S. Anslinger believed that the U.S. had a duty and responsibility to lead, supervise, and manage the vigilance of all other nations in their fight against drugs. In Salazar’s estimation, the U.S. was in no position to lead a global antidrug campaign when they had little understanding of the tertiary effects of their actions. Salazar argued that recidivism rates were high in the U.S. and since the enacted of its tough drug laws, more that 75 percent of voluntary drug rehabilitation addicts withdrew from the federal narcotics hospital in Lexington, Kentucky. Salazar went on to assert that the 1,300 inmates of the Lexington federal prison represented less than one percent of the total addicted population in the U.S. Salazar explained that with their overly punitive antidrug policies, the U.S. abandoned the remainder of the addicted American population to the illicit drug world.<sup>108</sup>

Forced to resign by 1939, Salazar never got a chance to enact his antidrug policies. He lived in constant defense of his plans and ultimately U.S. pressure upon his government was too great. His plans never received unbiased study to determine their viability. Even after policy making changed hands in Mexico, the U.S. was never satisfied with Mexican antidrug efforts. The U.S. embargoed medical drug exports creating an economic hindrance and a strident political message. By 1940, U.S. efforts ultimately reshaped Mexican narcotic policy. Mexico took on the U.S. favored punitive approach. U.S. actions against Mexico during this period were no less than intrusive.

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<sup>107</sup> Ibid., 69.

<sup>108</sup> Ibid., 69–70.

Walker asserts that U.S. “actions led to intervention in Mexican affairs, the reality of the professed Good Neighbor Policy of the Roosevelt administration must in this instance be brought into question.”<sup>109</sup>

As explained in the second section of this thesis, Anslinger successfully established a link between marijuana and insanity. So too did the public link marijuana use with “lazy” Mexicans. Furthering the sentiment in the 1930s, prominent officials and physicians published articles and studies that dramatized the “alleged violent effects of marijuana and predicted that marijuana smoking would spread beyond the southwestern states.”<sup>110</sup> With domestic policies tied to the control of minority groups, the U.S. took it upon themselves to create a universal antidrug policy for the nations of the western hemisphere where some of these minorities originated. The U.S. pushed its neighbors to enact stricter drug laws and tightened its own immigration controls. The U.S.’s historical paternalistic attitude led to actions as a self-appointed moral and political leader in the region. Without hesitation, the U.S. consistently prodded into Mexican affairs to manipulate Mexican drug policy. This precedent is a mainstay throughout U.S.-Latin American relationships and has bred Latin American contempt towards the U.S. over the years.

## **C. COCA AND RELATIONS WITH HONDURAS, BOLIVIA, AND PERU**

### **1. Honduras**

Honduras was a nation of particular concern to the U.S. Honduras served as a throughput for drugs, especially Cocaine, to the U.S. The political situation within Honduras was slippery. Much exacerbated by the Great Depression, President Tiburcio Carias Andino, elected in 1931, had to deal with unstable political and economic conditions within his country. The U.S. had little sympathy for the internal situation of Honduras and publically criticized the perceived laxity of Honduras’ antidrug enforcement. The Honduran government took the criticism to heart; however, they were never able to live up to U.S. antidrug standards.

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<sup>109</sup> Ibid., 76.

<sup>110</sup> McWilliams, “Through the Past Darkly,” 365.

Diplomat Lawrence Higgins explains, in a 1933 letter to the U.S. State department, how the Honduran government seemed at first to adhere to U.S. interests by restricting the issuance of permits granting the importation of narcotics.<sup>111</sup> However, a trusted source reported to Higgins that one Dr. Jose Maria Guillen Velez, a man with presidential aspirations and political connections within Honduras, procured an importation permit for Parisian opium, cocaine, and heroin, which far exceeded the amount needed for legitimate use in his tiny pharmacy in *Puerto Cortes*. Higgins explains that Velez was known as a big time drug dealer in Honduras and goes on to accuse the Honduran government of knowingly selling this permit to Velez with the knowledge that he would smuggle these drugs into the U.S. The corruption within Honduras no doubt existed and due to the political and economic climate of the day, Honduran authorities had little power to correct the situation. That said, the U.S. continued to pressure the government to do more.<sup>112</sup>

The Honduran government realized its own limited abilities to curb drug trafficking within Honduras' borders. However, in the patriotic defense of the "good name of Honduras," the Honduran government published an editorial from the *Tegucigalpa* newspaper *El Cronista*.<sup>113</sup> Honduras recognized that its trafficking woes could virtually disappear if the demand for illicit drug within the U.S. was not there. As far as Honduras was concerned, the U.S. was responsible for the drug trade plaguing Latin American nations. Failed U.S. policies such as the Prohibition were also a causal factor aiding the growth of the illicit drug market. The U.S. government could not recognize the path of failure its drug policies were building. Honduras charged, that with the vast wealth and resources at its disposal, the U.S. is unable to cease illicit drugs influx over U.S. borders, nor is it able to address the demand and addiction problems of its society. Despite Honduras's innocence, guilt, or incompetence in the matter of illicit trafficking compliance, it made several good points in their defensive article.<sup>114</sup> U.S.

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<sup>111</sup> Walker, *Drugs in the Western Hemisphere*, 80.

<sup>112</sup> *Ibid.*, 80–81.

<sup>113</sup> *Ibid.*, 82.

<sup>114</sup> *Ibid.* 84.

prohibitive policies were costly and seemed to create ever worsening niche markets for illicit drugs that did not exist before and because of the punitive nature of U.S. policies, addiction was not addressed, therefore demand for illicit drugs could only increase.<sup>115</sup>

Not able to see a way to curb demand within their own borders, U.S. officials continued to press Latin American governments to aid in antidrug actions. A major target in the region, the U.S. government believed that drug corruption infected all levels of the Honduran government and used rumors to help explain the validity of its beliefs. Such a rumor was a murder possibly linked to the drug trade. Honduran government official supposedly sanctioned the assassination of “Dr. Francis Sanchez U., Dean of the Honduran School of Medicine and Director of the Government Hospital,” for refusing to allow the importation of a surplus of narcotics, which Honduran official wished to traffic into the U.S.<sup>116</sup> No evidence supporting this rumor surfaced, however it fed the assumption that the Honduran government was complicit in the illicit market.<sup>117</sup>

Stuart J. Fuller reports on a conversation with businessmen in Honduras in a 1939 memorandum to the Department of State.<sup>118</sup> Excerpts of this memo reveal that the U.S. judicial system is not without blemish in the matter of possible corruption. In 1933 Raymond T. Kennett, while under the employ of the *Transportes Aereos CentroAmericanos* (TACA), was arrested in New Orleans for smuggling cocaine and morphine into the U.S. from Honduras. The standard sentence in such a case, in which Kennett plead guilty, was a five year prison sentence. The judge ordered Kennett to spend one night in jail and pay a five dollar fine. Although this author’s research revealed no records explaining why Kennett received such a light sentence, it is apparent this case received international attention and circulated throughout the world accompanied by Kennett’s picture. There was little derogatory light cast upon the U.S. judicial system as

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<sup>115</sup> Ibid., 82–84.

<sup>116</sup> Ibid., 84–85.

<sup>117</sup> Ibid., 84–5.

<sup>118</sup> Ibid., 85–88.

being soft on drugs; however, revealed below, this case helps illustrate how U.S. domestic drug polices helped control big business and other nations through Latin America.<sup>119</sup>

An important player in the Honduran business community, *Transportes Aereos CentroAmericanos* (TACA), a transportation organization, earned a stigma of suspicion because they kept Kennett in their employ. By the end of the 1930s, the relationship between the U.S. and Honduras had improved to some extent. War consumed Europe and U.S. attention began to shift to more pressing matters developing on the horizon. However, the State Department kept pressure on Honduras and in 1939, a state department memo addressed how a reputation, if perceived as not adhering to U.S. antidrug efforts, can damage a business. Eugene LeBaron, General Counsel of TACA, conversed with U.S. officials about the stigma arising around his company. While trying to conduct business with El Salvador, the El Salvadorian president forbade Kennett's entrance into his country, placing TACA's deal with his company at risk. Some other Latin American countries apparently enjoyed the favor they received from supporting U.S. policy and their actions would follow a strict adherence to U.S. policy. Rival businesses also used any drug trafficking connections that were possible to defame the reputation of competitors. TACA, in fact at the time of the above-mentioned meeting, was having its reputation attacked by its business competitors. U.S. policy influence is evident on many levels throughout Latin America. Not only did it have political ramifications for Latin American nations, U.S. policy also had financial consequences for big businesses that were perceived as less than compliant with U.S. interests. The following section will also demonstrate how U.S. policy influenced, not only the politics, but also the economy, culture and, traditions of Latin American nations.<sup>120</sup>

## **2. Bolivia and Peru**

During the interwar period, Bolivia and Peru were not essential to combating the illicit drug trade supplying the U.S. In fact, by late 1930s the flow of illicit cocaine into

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<sup>119</sup> Ibid., 86–87.

<sup>120</sup> Ibid., 85–88.

the U.S. had eroded. This fact emboldened Anslinger who claimed that his tough approach against cocaine allowed such a triumph. In the case of Bolivia and Peru, these countries were not a major throughput of illicit trade routes. Bolivia and Peru were coca producers. The U.S. by this point was the predominant crusader of drug control in the world and assumed a Universalist stance that all drugs with possible harmful side effects should be controlled. The best way to accomplish this in the mind of the U.S. was by controlling the global supply.<sup>121</sup>

Coca cultivation was also a subject of debate within South America. The coca cultivation question reaches back to the colonial era of Bolivia and Peru, and ever since they deliberated on how coca should fit into society. The coca crop produced within the borders of Bolivia and Peru was essential to the native community's workforce and was a traditional staple of their diet. Nonetheless, the cultural aspect and economic importance of coca was of little relevance to the U.S. government, the main interest of which was ending domestic consumption of illicit drugs. This placed the Bolivian and Peruvian government in a difficult situation. Coca was an important economic stabilizer for Bolivia and Peru. In Bolivia, Coca farmers were proactive in advocating their crops importance. They published a pamphlet that argued the positive qualities of the plant and defended its cultivation and use.

**a. Bolivia**

The U.S. believed that it was possible to manipulate the Bolivian coca market; perhaps the U.S. could alter the economic and symbolic value of coca. Although subtle attempts to do so failed early on, the U.S. and the other nations of The Hague Opium Conference concurred that true drug control constituted the inclusion of all addictive narcotics. That meant coca and cocaine were to be controlled substances; and therefore Bolivia must submit to coca cultivation control. U.S. officials in La Paz touted that curbing coca production would signal Bolivia's compliance with the international drug

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<sup>121</sup> Paul Gootenberg, *Between Coca and Cocaine: A Century or More of U.S.-Peruvian Drug Paradoxes, 1860–1980*, The Woodrow Wilson Center, Washington Latin American Program Department of History, SUNY-Stony Brook, 2001, accessed May 2, 2014. 17–19, <http://www.wilsoncenter.org/sites/default/files/gootenberg-wp251.pdf>.

control movement to no avail. Nevertheless, Bolivian officials maintained the plants domestic importance. At the 1924 Geneva conference, Bolivian delegate Arturo Pinto Escalier, stated:

His government found coca chewing to be “a perfectly innocuous activity.” More to the point he identified how vital coca was to maintaining the integrity of Bolivian culture. It would, he had previously told the OAC, “be impossible for the Bolivian Government to contemplate restricting the production of coca leaves without seriously interfering with the needs and economic life of the working population, particularly in mining districts, as coca leaves constitute for them a source of energy which cannot be replaced.” The United States would have to look elsewhere for control at the source.<sup>122</sup>

With the global anti-drug movement encroaching upon them, coca farmers in Bolivia took action, and addressed the League of Nations.<sup>123</sup>

The quest against cocaine was understandable. However, simply targeting the coca plant, which has other uses, was not a solution with which the farmers agreed. These farmers explained that before coca production is limited or abolished the scientific community must explore the positive aspects of the plant. Bolivian culture and societal norms adopted the use of coca over hundreds of years, and the Bolivian famers believed that the League of Nations ignored the “good things that coca brings to the indigenous working and farming classes of Bolivia.”<sup>124</sup> Some opponents of the coca industry existed within Bolivia. However, coca proponents possessed considerable political power, and opponents of the plant such as Julio Cesar Perez, had a limited dissenting voice. Perez viewed the plant as a great oppressor of the natives and working class of Bolivia. Farmers paid natives in coca instead of higher wages and or food. The plant enabled the natives to

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<sup>122</sup> “Narcotics Policy: The Troubled 1920s and 1930s,” *Encyclopedia of the New American Nation*, <http://www.americanforeignrelations.com/E-N/Narcotics-Policy-The-troubled-1920s-and-1930s.html>.

<sup>123</sup> Ibid.

<sup>124</sup> Walker, *Drugs in the Western Hemisphere*, 100.



work harder and longer without providing the vital nutrients needed for the health and wellbeing. Nonetheless, Perez also recognized the considerable fiscal importance of the coca plant had for Bolivia.<sup>125</sup>

Coca provided a vital economic benefit to Bolivia and therefore the Bolivian government had never considered ending coca cultivation. Furthermore, the working class simply chewed the raw coca leaves produced within Bolivia. The fact that the majority of the crop was consumed in this fashion minimized the chance that it could be converted into cocaine. Workers in other Latin American nations, such as Chile and Argentina, also consumed coca in raw form; this accounted for a substantial amount of exports from Bolivia.<sup>126</sup>

Bolivian farmers lauded the benefits of the coca plant and professed that Bolivian Indians and other nations workers were mentally stronger, more physically robust, had better teeth, and lived much longer than their white counterparts, who did not consume the raw plant (see Figure 6). Although there are a myriad of other factors that contributed to the poor health and early death of wealthier whites in the area, such as a sedentary lifestyle and consumption of sugar, the effects of coca did not appear to shorten or lessen the quality of life of partakers. In their pamphlet, the farmers argued the health benefits of coca aggressively, and explored the consequences of coca eradication on trade and development.<sup>127</sup>

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<sup>125</sup> Ibid., 100, 107–09.

<sup>126</sup> Ibid., 100–05.

<sup>127</sup> Ibid., 104.



Figure 6. Chewing coca is part of Bolivia's cultural heritage.<sup>128</sup>

The depression era was rough on everyone and in those difficult economic times, the Bolivian farmers exhorted their government and the international arena to allow Bolivia to focus on their own national development, to stimulate and grow their domestic industries. Trade partners such as Argentina and Chile adopted the League of Nations view of coca and opium as one in the same. Bolivia feared these nations would exact prohibitive tariffs on coca, whereby Bolivia would be obliged to reciprocate and import an import embargo as a sort of economic warfare to act as a trade balance.

Coca is not only, as an industry, an economic factor of undeniable importance and one of the most lucrative sources of revenue; it is also a major industry whose cultivation and consumption can be expanded into the interior of Bolivia. ... The reasons why the government will not place prohibitions on coca are quite basic: this product is essential not only as a source of national revenue but also as a matter of domestic commerce as well as border trade with Argentina and Chile. ... There is no reason why the production and consumption of coca should be limited if the plant is an important factor in the productivity of the mines [the major economic strength of Bolivia]. ... [Prejudicial trade tariffs against coca would create an unstable trade situation between nations. Given the fact that Coca is one of the only exports to other Latin American nation, and imports no unfairly tariffed items from other nations, such as Argentina, a biased

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<sup>128</sup> "Bolivian Native Chewing Coca," accessed April 25, 2014, <http://historyshadow.wordpress.com/>.

situation would arise]. Given these conditions it is not possible to establish commercial and tariff reciprocity; thus, there does not exist a trade treaty with our neighbor and we are free to limit imports in order to protect our comparable products and the industrial development of the nation. ... We cannot accept a [trade] deal that gives much to them [Argentina] and little to us, ... we should reserve the right to encumber imported goods in the name of our own national industries.<sup>129</sup>

The coca farmers of Bolivia wanted to ensure that their government and the international community understood the importance of coca to Bolivian society. Although health of the natives was likely not the primary concern of the Bolivian farmers who spoke out, anyone would be hard-pressed to disagree with the economic detriment Bolivia would face if coca were taken from its economic repertoire. Peru faced a similar situation, as they too were major producers of the coca plant.<sup>130</sup>

#### ***b. Peru***

By the 1930s, the Peruvian science community, with the help of U.S. funding and encouragement, began to recognize the harmful side effects of coca consumption on their native population; however, the economic concerns of the nation prevented any motivation for substantial prohibition efforts. The Peruvians argued that their natives were, for the most part grossly ignorant, and would be unable to abide by any prohibitive laws and would thusly continue to grow and cultivate coca for their traditional use. In fact, one man Dr. Carlos Enrique Paz Soldán, led a

Nationalist campaign, from the late 1920s to early 1940s, heard from Washington to Geneva. In a dramatic reversal of American “supply-side” anti-drug logic, Paz Soldán argued that strictures on cocaine in the West had actually forced Peru’s excess coca into the nervous systems of Peruvian Indians. As an alternative to discriminatory League quota controls, he proposed a giant Peruvian state “Monopoly” to regulate, promote and modernize cocaine, one that would deploy its trading profits to wean suffering Indians from their coca-chewing pathology.<sup>131</sup>

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<sup>129</sup> Walker, *Drugs in the Western Hemisphere*, 100–07.

<sup>130</sup> Ibid., 100– 07.

<sup>131</sup> Gootenberg, *Between Coca and Cocaine*, 25–26.

Furthermore, in 1932, the head of the Peruvian Narcotics Office, announced to the state department that as a member of the League of Nations they were considering giving domestic cooperation to the global antidrug sentiment. However, he states:

There will be no effort made to curtail the use of coca among the Indians and the small producers will therefore not suffer. On the other hand, the investments of the large establishments would be depressed by the consequences of the international agreement if the making of cocaine is limited. ...there is a feeling in Peru that if drastic measures are taken to curtail cocaine production disastrous results to the trade will ensue in the mountains where it is an important activity. In Peru the present is not a favorable time to suggest curtailing any industry which shows a profit, regardless of its nature.<sup>132</sup>

The Peruvian government promised close monitoring and control of their cocaine export business. The U.S. State Department recognized that at least for the moment the Peruvian Government had no intention to restrict coca cultivation.<sup>133</sup>

In 1936, Peruvian President Oscar Benavides reiterated the nation's stance. He stated that the nation's coca industry was in crisis, and that any decrease in income would harm Peru's national defense budget. He commissioned a study to cement the cultivation of coca in Peruvian society at the same time attempting to establish new laws to satisfy the requirements of the League of Nations. The president's study did not mean that the nation's stance on coca would change. Benavides made it clear that coca production was too valuable to the Peruvian economy to simply end it. The Lima newspaper, *El Comercio*, concisely explains the Latin American perspective on the League of Nations' antidrug campaign.

Economic and social reasons force us to consider the coca question as a problem that should be solved in Peru in relation to national realities and not by adopting fantastic principles that will intrude upon domestic affairs. [Walker summarizes], in other words, coca control was a matter of domestic politics in a sovereign state.<sup>134</sup>

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<sup>132</sup> Walker, *Drugs in the Western Hemisphere*, 110.

<sup>133</sup> Ibid., 110–12; Gootenberg, *Between Coca and Cocaine*, 25.

<sup>134</sup> Walker, *Drugs in the Western Hemisphere*, 112–13.

**S**nap out *of* afternoon  
**DROWSY  
TIME**



You yawn. You're tired...  
And you lag in your work.

Take a minute for an ice-cold Coca-Cola,  
and bounce back to normal. • An ice-cold  
Coca-Cola is more than just a drink. It's a  
very particular kind of drink—combin-  
ing those pleasant wholesome substances  
which foremost scientists say do most in re-  
storing you to your normal self. Really deli-  
cious, it invites a pause—the pause that refreshes.

*Refresh yourself  
Bounce back to normal*

© 1933 EDWARDS CO., ATLANTA, GA.

Figure 7. 1930s ad referring to cocaine as a “pleasant wholesome substance?”<sup>135</sup>

<sup>135</sup> Vintage Ad Browser, “Snap Out of Afternoon Drowsy Time,” accessed 26 April, 2014, <http://www.vintageadbrowser.com/coke-ads-1930s>.

The United States and the international community continued to pressure Peru. The U.S. also had a stake in Peru's coca industry because the soft drink giant Coca-Cola, used cocaine as its secret ingredient in the world famous American soft drink (see Figure 7). Eventually, U.S. officials established an FBN/State Department intelligence gathering network inside Peru. The Coca-Cola Company facilitated this spy network. Eventually, U.S. oriented drug control policies slowly seeped into Peru, though the Peruvians, as did the Bolivians, resisted the adoption of U.S. anti-coca strategies along the way. Author Paul Gootenberg highlights what he calls "the largest global puzzle," and explains that the era [1920–1940] that saw the greatest plurality of cocaine regimes and mentalities—including tolerated legal cocaine industries abroad—was actually the best for the U.S. in terms of cocaine as a volatile social problem."<sup>136</sup> That said, despite the domestic lack of a "cocaine problem" within the U.S. at the time, the U.S. continually pressed for Peru to assimilate its ideals, and still to this day, displays an intransigence towards any other antidrug approach.<sup>137</sup>

Mexico, Bolivia, and Peru provide a small sample and glimpse into the Latin American perspective of the global antidrug campaign that the U.S. was championing. U.S. domestic concerns tightened tensioned relations with an already weary Mexico over marijuana concerns. During this period, the U.S. showed through its unwillingness to allow Mexican drug enforcement officials into the U.S., privileges garnered from U.S. Mexican cooperation would usually be one sided. The U.S. also desired to change the cultivation habits of Latin American states, which would have grave economic consequences, in not only Peru and Bolivia, but negatively affect trade within the entire region. The situation in Bolivia and Peru was such that the region could not simply cease hundreds of years of tradition and change a culture that adopted coca as a mainstay. Economies in Latin America developed around the coca plant; coca was rooted deep within the lives and commerce of South America. Despite facts such as this, the U.S. continuously pressured Latin America to adopt a single approach, the U.S. approach to

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<sup>136</sup> Gootenberg, *Between Coca and Cocaine*, 27.

<sup>137</sup> Walker, *Drugs in the Western Hemisphere*, 113; Paul Gootenberg, "The Rise and Demise of Coca and Cocaine: as Licit Global 'Commodity Chains', 1860–1950," 13, accessed 26 April, 2014, [http://www.mamacoca.org/docs\\_de\\_base/Consumo/gootenberg\\_rise\\_and\\_demise\\_coca\\_cocaine.pdf](http://www.mamacoca.org/docs_de_base/Consumo/gootenberg_rise_and_demise_coca_cocaine.pdf)

illicit trafficking. Simply nothing less would do. The U.S. offered no alternatives and did not trust Latin American Nations to develop their own antidrug strategies as they saw fit. Sovereignty, which is of paramount importance to the Latin American community, was constantly trampled in the interwar period, an action that continued into World War Two (WWII).

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## IV. SETTING THE STAGE FOR THE MODERN DRUG WAR

### A. WWII AND AFTER, THE SITUATION CHANGES

#### 1. WWII Market Shifts

As WWII grew closer, the U.S. began to see changes in antidrug activity. The U.S. government taxed cigarettes and banned the domestic cultivation of poppies. The federal government also aligned all narcotics laws under the newly established National Institute of Medical Health (NIMH) and placed all substances with narcotic like qualities it.<sup>138</sup>

Drug consumption also changed in the 1940s: cigarette and marijuana use increased, while cocaine use declined. As the U.S. entered WWII, concerns over marijuana diminished as consumption patterns changed. Cigarette smoking was now socially acceptable and popular, especially in the urban scene. No longer did the U.S. promote cocaine use in its soldiers. Instead, the government distributed amphetamines, whose effects lasted longer, and through oral consumption, was easier for soldiers to consume. Despite the media campaign against its nonmedical use, Barbiturate became popular.<sup>139</sup> This media campaign popularized barbiturates, which were previously barely known to the public. The misleading ads distributed by the pharmaceutical industry led to extraordinary profits from the barbiturate market. Furthermore, this era introduced concerns over the dangers of cigarettes; however, counterfactual and enticing ads from the tobacco industry helped the cigarette market enjoy steady growth (see Figure 8). While markets were shifting domestically the U.S. also positioned itself in the international arena in such a way to garner global preeminence as a world power.<sup>140</sup>

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<sup>138</sup> Brown, “Substance Abuse and America,” 502–03.

<sup>139</sup> Barbiturates are a group of drugs in the class of drugs known as sedative-hypnotics, which generally describes their sleep-inducing and anxiety-decreasing effects. *Web MD*, s.v. “barbiturates,” accessed May 5, 2014, <http://www.webmd.com/mental-health/addiction/barbiturate-abuse>.

<sup>140</sup> Brown, “Substance Abuse and America,” 503.

**"I'm going to grow  
a hundred  
years old!"**

*...and possibly she may—for the amazing strides  
of medical science have added years to life expectancy*

● It's a fact—a warm and wonderful fact—that this five-year-old child, or your own child, has a life expectancy almost a whole decade longer than was her mother's, and a good 18 to 20 years longer than that of her grandmother. Not only the expectation

of a longer life, but of a life by far healthier. Thank medical science for that. Thank your doctor and thousands like him...toiling ceaselessly, often with little or no public recognition...that you and yours may enjoy a longer, better life.



*According to a recent Nationwide survey:*

## **More Doctors smoke Camels** *than any other cigarette!*

NOT ONE but three outstanding independent research organizations conducted this survey. And they asked not just a few thousand, but 113,597, doctors from coast to coast to name the cigarette they themselves preferred to smoke.

¶ The answers came in by the thousands...from general physicians, diagnosticians, surgeons—yes, and nose and throat specialists too. The most-named brand was Camel.

If you are not now smoking Camels, try them. Compare them critically: See how the full, rich flavor of Camel's costlier tobaccos suits your taste. See how the cool mildness of a Camel suits your throat. Let your "T-Zone" tell you (*see right*).

**CAMELS** *Costlier  
Tobaccos*



**THE "T-ZONE" TEST WILL TELL YOU**



The "T-Zone"—T for taste and T for throat—is your own proving ground for any cigarette. Only your taste and throat can decide which cigarette tastes best to you...how it affects your throat. On the basis of the experience of many, many millions of smokers, we believe Camels will suit your "T-Zone" to a "T."

R. J. REYNOLDS TOBACCO CO.  
Winston-Salem, N. C.

Figure 8. "More Doctors Smoke Camels" 1946 cigarette advertisement.<sup>141</sup>

<sup>141</sup> "More Doctors Smoke Camels," Polite Dissent, accessed April 29, 2014, <http://www.politedissent.com/archives/4810>.

## **2. U.S. Strength Grows**

The years surrounding WWII strengthened U.S. power in the global antidrug movement. Geneva's Permanent Central Opium Board (PCOB) and the Drug Supervisory Board (DSB) transferred many authorities to the U.S. government in 1941. These institutions became subservient to the U.S. and were required to assist the U.S. in developing new antidrug laws. Through multilateral agreements with the allies, the U.S. also gained singular control of all opium monopolies in Southeast Asia territories liberated by U.S. forces. This allowed the U.S. to control these opium markets and enabled the U.S. to introduce narcotics policies in areas unreachable before WWII. The strategic position of the U.S. in Asia and Europe during the war enabled strong diplomatic posturing with opium-cultivating neutral governments, such as the exiled Yugoslavian government, Turkey, and Iran. The U.S. secured opium production control within each of these governments. After the war, institutional structures in the antidrug infrastructure shifted once again. The newly formed United Nations (UN) absorbed the drug control responsibilities of the League of Nations. The two bodies, PCOB and DSB, transferred to Washington before the war, shifted back to Geneva control. The World Health Organization (WHO) assumed drug advisory responsibilities to the UN at which time the UN tasked the WHO to determine the addictive potential of known drugs. The 1948 Paris Protocol was an international conference that brought any drug that may cause harm under the control of the UN, and states had the responsibility to report all new potentially harmful drugs to the UN secretary general.<sup>142</sup>

## **3. Antidrug Reinvigoration**

Following the changes of the 1940s, the 1950s saw a domestic reinvigoration of antidrug efforts by the head of the FBN—Harry J. Anslinger. The combination of returning GIs plagued with addiction and a new threat, the spread of communism, created a social climate conducive to tougher drug laws. Fears of communism spread a U.S. sentiment similar to the earlier “Red Scare.” As in this earlier period, author Lawrence Brown explains, “narcotics, which then included cocaine and marijuana, were associated

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<sup>142</sup> Buxton, “The Historical Foundations,” 20–21.

with subversive activities of alleged Communists or their alleged sympathizers.”<sup>143</sup> Anslinger viewed marijuana as a gateway drug and pushed for harsher punishments for its users and all other drug offenders. The politicians of the day were all too eager to help introduce Anslinger’s stricter drug laws, riding the antidrug public hysteria straight to reelection.

Ignoring other causes for the drug problems of his time, outlined above, Anslinger viewed the American judicial system as a cause for increased drug consumption and addiction rates within the U.S. Author John C. McWilliams explains:

The major reason for the increase in drug violations, according to Anslinger, was a soft judicial system that was reluctant to assess sufficient prison terms. If the government was going to prevent the Mafia from flooding the country with drugs, save the youth of America from addiction, or stop a Communist take-over, existing penalties needed to be increased to keep traffickers out of circulation. Anslinger’s reasoning made sense, at least to those in Congress who introduced more than two dozen bills in 1951 related to drug enforcement. Just as he had fired the public’s ire about the emergence of a “killer weed” in the 1930s, which led to outlawing marijuana and the introduction of penalties to crack down on a new criminal class, Anslinger shaped and redefined the public consensus about drug policy in the 1950s by linking drugs with other unpopular issues like communism and the Mafia.<sup>144</sup>

Minimum mandatory sentences came into effect for drug law violators. Non-U.S. citizens faced deportation if they violated any drug law. These domestic changes left some groups wondering if the new stiffer stance on drugs was appropriate.<sup>145</sup>

#### **4. Questioning the New Status Quo**

The pharmaceutical industry and the Food and Drug Administration (FDA) had an intimate relationship in the 1950s. The loose interpretation of drug regulations in the late 1940s permitted the FDA to allow the drug industry to run wild, producing drugs for profit without fully investigating their harmful effects. This resulted in the Thalidomide Tragedy (see Figure 9) and Congress finally increased control on the drug industry.

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<sup>143</sup> Brown, “Substance Abuse and America,” 503.

<sup>144</sup> McWilliams, “Through the Past Darkly,” 369.

<sup>145</sup> Buxton, “The Historical Foundations,” 20–21; Brown, “Substance Abuse and America,” 503.

Concurrently, the Narcotics Control Act of 1956 introduced mandatory sentences of two years to life for drug offenders, depending if this was their first, second, or third offense. Furthermore, judges could no longer choose to suspend sentencing and surprisingly, one could be put to death for drug law violations.<sup>146</sup>



Figure 9. Many children in the 1960s, like the kindergartner pictured above, were born with phocomelia as a side effect of the drug thalidomide, resulting in the shortening or absence of limbs.<sup>147</sup>

The failings of the FDA and the new harsher drug punishments led the American Bar Association (ABA) and the American Medical Association (AMA) to conclude that the federal laws were too harsh and grossly ineffective. The ABA and AMA publically criticized the federal government. They claimed that, similar to the policies espoused by the 1930s Mexican Drug Czar, Leopold Salazar Viniegra, the AMA and ABA believed that dealing with the addict's addiction would be much more effective than mandatory sentences. These groups also criticized the harassing behavior that the new drug laws

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<sup>146</sup>McWilliams, "Through the Past Darkly," 369.

<sup>147</sup>Bara Fintel, Athena T. Samaras, and Edson Carias, "The Thalidomide Tragedy: Lessons for Drug Safety and Regulation," July 28, 2009, accessed April 29, 2014, <http://helix.northwestern.edu/article/thalidomide-tragedy-lessons-drug-safety-and-regulation>.

promoted—narcotics officials routinely harassed medical professionals. Simultaneously, NIMH published studies claiming drug dependency was a psychological or physical disease. Although in stark contrast to FBN views, these new perspectives began to gain traction among the American public and federal officials.<sup>148</sup> While this section examined the domestic and international effects of U.S. antidrug actions, the next section will examine how the WWII era influenced the Latin American Drug Market.

## **B. WARTIME DRUG TRADE EFFECTS IN LATIN AMERICA**

### **1. Introduction**

In the 1940s, the U.S. consolidated the opium markets of Asia and effectively had a monopoly of the global opium trade. The Allies fought to restrict Axis access to any drugs that aided their war effort. The U.S. also tried to ensure that the Allies had an adequate supply of drugs for wartime medical needs. For this, the U.S. turned to the one of Latin American neighbor who had a cultivation and production system in place and robust enough to meet wartime demands. Peru was the only Latin American nation to supply drugs to the Allies in WWII. However, because of fears that Latin American narcotics could fall into the hands of the Axis, Anslinger and the Department of State, chose to micromanage Peru's cocaine production. Anslinger maintained interest in Mexico as well, in this era. Without constant pressure from the U.S., Mexican authorities would diverge from U.S. predicated antidrug controls. Besides, Mexico had become the center of the global illicit drug trade. The years adjoining WWII brought many changes to the world.<sup>149</sup>

### **2. Peru**

WWII was a destabilizing event on many levels. For Peru, the war greatly affected its commerce. The legal and illegal cocaine markets were in peril. With the preservation of their economy in mind, Peru was willing to do whatever was necessary to survive the season of war, even if it meant trading with the Axis. The Allies did not look

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<sup>148</sup> Brown, "Substance Abuse and America," 503–04.

<sup>149</sup> Walker, *Drugs in the Western Hemisphere*, 115, 120.

kindly upon this sentiment. Cocaine, as a commodity, acted as a bargaining chip and helped foster trade with other nations. One such example is illustrated in an embassy dispatch in 1941, where a British minister promised the purchase of Peruvian cotton if Peru would cease sale of cocaine to the Germans. With an excess of cocaine the Peruvians looked to offload it were they could. The Soviet Russians were an acceptable alternative to Germany and Italy, Peru's previous customers. The U.S. conceived that cocaine shipments to Russia would provide a means for illicit cocaine smuggling, therefore, close U.S. monitoring was required.<sup>150</sup>

The Great Depression helped to diminish demand for cocaine in the U.S.; however, the economic jolt of the war revived the dormant cocaine market. The U.S. realized this and knew the economic importance of the coca market in Peru. Needing a cocaine supply for the Allies, the U.S. positioned itself in such a way to leverage control over the Peruvian cocaine supply. The U.S. State Department relayed a message to the Peruvian Finance Ministry in which, the U.S. outlined the past drug policy failure of Peru, When Peru's Finance Minister David Dasso requested to increase cocaine production. In 1942, State Department Narcotics Expert George A. Morlock stated:

The Peruvian [narcotics] record is a bad one. Peru is apparently the only country in the Western hemisphere that condones the illicit drug trade. ... Unless Peru betters its record by conforming to the terms of international agreements which it has signed and takes drastic and effective steps to eliminate the illegal trade, the United States is prepared to take all measures necessary to produce the desired result, including cutting Peru off from all sources of narcotic drugs and stopping its purchase of coca leaves. This last would be accomplished very simply by growing coca in Puerto Rico, where the production has been eliminated in order to give Peru its market. It would seem that the answer to Mr. Dasso should be that it is up to Peru to make concessions, not the United States.<sup>151</sup>

Peru did adhere, at least momentarily, to U.S. regulations and meted out cocaine to the allies. Other Latin American nations also felt U.S. pressure over international drug control.

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<sup>150</sup> Ibid., 116–17.

<sup>151</sup> Ibid., 117–18.



### 3. Mexico

The U.S. tracked the production of opium within Mexico throughout the 1940s. Opium production tripled from 1942 to 1943 and U.S. customs believed that excess opium would be trafficked into the U.S. via guano shipments and Mexican coastguard vessels. The numerous ways available to smugglers to traffic illicit opium over the border into the U.S. and the massive land border between the U.S. and Mexico presented an insurmountable challenge. These facts left the U.S. with the impression that the only way to thwart the illicit flow of opium into the U.S. was to stop its cultivation within Mexico. The U.S. perceived that supply-side tactics were the only option available to stop drug flow. However, the U.S. did recognize that their recent venture in Asia led to the new opium market in Mexico. A Department of State dispatch from A. A. Berle Jr. stated, "It would appear that Mexico, replacing the Far East, from which supplies are no longer available, is fast becoming the principle source of opium illicitly entering the United States."<sup>152</sup> This extrapolation, well applied in this situation would see similar effect in South America in the Future (Plan Colombia). The U.S. placed the onus of the trafficking problem on Mexico. Berle explained, "Effective measures could best be taken at the source in Mexico. Naturally the problem is one for the Mexican authorities, but this Government [U.S.] is desirous of doing everything possible to induce and assist the Mexican authorities to stop this traffic."<sup>153</sup> The U.S. believed that if anything was to be done in Mexico, they themselves would need to be the catalyst for action.

Mexican authorities found compliance with American antidrug standards difficult; the drug business was profitable to Mexican peasants and action against the peasant and the drug gangs that owned the crop would result in the deaths of interfering officials. That said, U.S.-Mexican relations waned appreciably after the end of WWII. The legitimate opium market was imperiled in 1945, the allies defeated Japan, and China was in civil war. The drug syndicates of Mexico were eager to meet demand, and those syndicates easily persuaded Mexican politicians to throw in their lot with them and profit in the illicit drug trade. In 1947, Anslinger publically rebuked the Mexican government for its

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<sup>152</sup> Ibid., 117–18.

<sup>153</sup> Ibid., 123.



inability to curb opium production. Eventually, in 1948, U.S. and Mexico reconciled. However, throughout this process the U.S. maintained “an air of entitlement about intervention in Mexican politics.”<sup>154</sup> The U.S. blindly sought its policy of supply-side eradication despite the strife it may have caused the citizenry of Latin America.

#### **4. Conclusion**

Historically, economic instability in Latin America gives rise to the cultivation of raw materials for manufacture to feed an illicit market. Latin American drug rings play a significant role in feeding U.S. drug demand while simultaneously providing work and a means for a better life to downtrodden lower classes. U.S. policies of eradication applied strife to the lives of the subsistence farmers who depended on illicit profits for their survival. The Mexican government’s tepid attempts at supply control and rampant corruption led to a tumultuous domestic climate full of contestation and controversy. U.S. empathy for economic hardship within Latin America may have allayed the tensions bolstered by the drug trade and allowed other antidrug measures to merit consideration.

### **C. THE BEGINNING OF THE MODERN WAR ON DRUGS**

#### **1. Nixon’s Drug War**

As mentioned above (Chapter IV, section A, subparagraph 4), the U.S. passed two bills as the drug reinvigoration ensued following WWII. The Boggs Act of 1951 and the Narcotics Control Act of 1956 allowed for harsher penalties for drug violations. The federal government fully implemented domestic drug control in the 1950s; however, the U.S. experienced a drug epidemic over the next two decades. American society grew weary of its soldiers returning home from the war in Vietnam addicted to heroin, and an unabated crime rate continued to climb.<sup>155</sup>

American society accentuated the domestic drug problem and prompted President Richard Nixon’s declaration of war on drugs and a subsequent reinforcement of supply side strategies. In mass, American youth rebelled against their parents’ traditional values;

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<sup>154</sup> Ibid., 135.

<sup>155</sup> Brown, “Substance Abuse and America,” 505.

drug use was an integral part of the rebellion of this period. New drugs, ironically developed and utilized by the government, namely LSD and amphetamines, rivaled the rising popularity of marijuana and heroin.<sup>156</sup> The stricter and more punitive antidrug laws did not sit well with an American society with shifting perspectives on personal freedoms. Drug use became part of the lives of an ever-growing population and the people of this culture began to understand the differences between their drugs of choice and the effects they induced. Drug legislation was a source of contempt, where the new drug partaking subculture rejected its merit.<sup>157</sup> Groups publicly questioned how all drug possession and use constituted criminal and immoral behavior. This new drug subculture created and popularized drug terms, and created distinct groups of soft and hard drugs, studying and propagating the benefits and dangers of each.<sup>158</sup> In antithesis of the status quo, movements of decriminalization surfaced and the damaging effects of punitive drug laws became a public debate. Nevertheless, the 1960s saw an increase in punitive drug policies as drug consumption skyrocketed. This decade saw a tenfold increase in heroin addicts and the same increase in marijuana arrests.<sup>159</sup>

The increased crime rates and drug consumption throughout the 1960s prompted Richard Nixon, popularized as an anti-communist hero in the McCarthyism era, to run in the 1968 presidential campaign on a platform of “Law and Order.”<sup>160</sup> Nixon explained that there is an inherent link between the diseases of drug use and crime. By successfully coupling drugs and crime in the eyes of the public, he could effectively kill two birds with one stone. In 1971, Nixon addressed Congress:

Within the last decade, the abuse of drugs has grown from essentially a local police problem into a serious national threat to the personal health and safety of millions of Americans. ... The problem has assumed the dimensions of a national emergency. ... Drug traffic is public enemy

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<sup>156</sup> McWilliams, “Through the Past Darkly,” 20.

<sup>157</sup> A group that has beliefs and behaviors that are different from the main groups within a culture or society. *Merriam Webster Online*, s.v. “subculture,” accessed: May 4, 2014, <http://www.merriam-webster.com/dictionary/subculture>.

<sup>158</sup> Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 93.

<sup>159</sup> United Nations Office on Drugs and Crime, *100 Years of Drug Control*, 62.

<sup>160</sup> Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 105.

number one ... and we must wage a total offensive, worldwide, nationwide, government wide, and if I may say so, media wide.”<sup>161</sup>

Nixon’s prescription for the diseases of drugs and crime was to stiffen punishment and declare a “War on Drugs,” by destroying trafficking supply lines and eliminating source country cultivation of raw drug materials.

In the international realm, years of multiple narcotics accords created a web of confusion. The international community needed to consolidate and simplify their drug control regime. Therefore, in 1961, the Single Convention on Narcotic Drugs became “the cornerstone of today’s international drug control regime.”<sup>162</sup> The U.S. ensured that their prerogative on drug control found its way into the Single Convention. The Convention had three core objectives: to consolidate, organize, and extend controls within a single document acceptable to all nations; secondly, to simplify mechanisms of control by creating the International Narcotics Control Board (INBC); and lastly to extend and strengthen existing controls on all aspects of illicit drugs.

In 1969, the U.S. Congress introduced new legislation and law enforcement mandates designed to combat the drug trade at home and abroad. On the home front, Nixon reorganized and increased enforcement via the Bureau of Narcotics and Dangerous Drugs (BNDD) and implemented the 1970 Comprehensive Drug Abuse Prevention and Control Act and the associated Title II Controlled Substances Act.<sup>163</sup> After these laws, U.S. federal policy aligned completely with the international Single Convention. To ensure the capture of as many drug criminals as possible, this new act introduced “no knock warrants”; this increased the chances of a good bust when narcotics agents

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<sup>161</sup> Elaine B. Sharp, *The Dilemma of Drug Policy in the United States* (New York: HarperCollins College Publishers, 1994), 1.

<sup>162</sup> United Nations Office on Drugs and Crime, *100 Years of Drug Control*, 11.

<sup>163</sup> Buxton, “Historical Foundations,” 24; Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 106.

searched private homes and businesses.<sup>164</sup> Nixon also created and placed under his direct control, the Office of Drug Abuse Law Enforcement (ODALE). Soon thereafter, in 1973, Nixon consolidated four antidrug institutions: the BNDD, the ODALE, the Office of National Narcotics Intelligence, and the Customs Service Drug Investigation. The result of this amalgamation was the Drug Enforcement Administration (DEA). Drug incarcerations skyrocketed. The situation was so out of control and prisons were filling so quickly that in the late 1970s, even president Jimmy Carter endorsed the decriminalization of marijuana.<sup>165</sup>

## **2. The International War on Drugs**

Illicit drug producers and traffickers became mortal enemies of the U.S. Nixon described his strategy; he wished not only to curb domestic demand but also to

strike at the “supply” side of the drug equation—to halt the drug traffic by striking at the illegal producers of drugs, the growing of those plants from which drugs are derived, and trafficking in these drugs beyond our borders.<sup>166</sup>

U.S. relations with Mexico would soon deteriorate. U.S. Agency for International Development (AID) assistance was unable to prevent a delamination in the U.S.-Mexican relationship. Operation Intercept brought this change to the public’s attention in 1969.<sup>167</sup>

In June 1969, the U.S. implored Mexico to apprehend smugglers and enact a national marijuana defoliation program. The Mexican government was slow to endorse any reforms in line with U.S. desires; nonetheless, they pledged their diligence against drug production and trafficking. In September of 1969, the U.S. launched Operation Intercept in an attempt to prevent the inflow of drugs, primarily marijuana, from Mexico.

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<sup>164</sup> A no-knock warrant is a search warrant authorizing police officers to enter certain premises without first knocking and announcing their presence or purpose prior to entering the premises. Such warrants are issued where an entry pursuant to the knock-and-announce rule (i.e., an announcement prior to entry) would lead to the destruction of the objects for which the police are searching or would compromise the safety of the police or another individual. Cornell University Law School, “No-knock Warrant,” accessed February 3, 2013, [http://www.law.cornell.edu/wex/no-knock\\_warrant](http://www.law.cornell.edu/wex/no-knock_warrant).

<sup>165</sup> Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 106, 108; UNDOC, *100 Years of Drug Control*, 62.

<sup>166</sup> Quoted in Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 106.

<sup>167</sup> Walker, *Drugs in the Western Hemisphere*, 174.

Mexico supplied approximately 70 percent of marijuana consumed in the U.S.<sup>168</sup> To block the flow of drugs into the U.S., government agents were supposed to man the 2,000-mile border in a sufficient manner as to inspect all cross-border traffic. Mexico cooperation was lukewarm at best; it believed the operation would never get off the ground. To no-one's surprise, the logistical nightmare created by this operation was a major contributor to its life of only three weeks. Not only did border-crossing waits increase from minutes to hours, border city businesses tanked and commerce plummeted. The economic detriments of the operation were immediately apparent, Mexico was outraged. The strain on future international relation with Mexico was palpable. From the ashes of Operation Intercept arose a new plan called Operation Cooperation, known in Mexico as the permanent campaign, which was generally more well received than Operation Intercept. As a testament to the primacy of drugs in Nixon's foreign policy, this plan tried to align U.S. and Mexican strategies on enforcement.<sup>169</sup>

Another indication of importance of the new "War on Drugs" was the budget increase to fund it. Congress allocated \$6 million to drug enforcement efforts in the late 1960s; funding jumped to \$43 million in 1970 and grew to over \$321 million by 1975. Remarkably, Nixon invested a larger share of funds to demand reduction; this however, came after prematurely declaring victory in the "War on Drugs."<sup>170</sup> Nonetheless, victory was not the right word for what was happening in the war on drugs. No matter what the U.S. or Mexico threw at illicit traffickers, drug rings had little trouble finding a way to supply American demand. Drug agencies continued their mission and antidrug funding continued to grow. The next two U.S. presidents placed focused their policies elsewhere, leaving Nixon's antidrug policies alone. However, funding for the drug war shifted towards supply-side policy.<sup>171</sup>

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<sup>168</sup> Ibid., 175.

<sup>169</sup> Kate Boyle, "Operation Intercept: The Perils of Unilateralism," The National Security Archive, accessed November 9, 2013, <http://www2.gwu.edu/~nsarchiv/NSAEBB/NSAEBB86/index2.htm>.

<sup>170</sup> Quoted in Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 107–108.

<sup>171</sup> Ibid., 107–108.

### 3. Drug War Revival

Shortly after President Ronald Reagan took office, he revived the U.S. “War on Drugs,” by exclaiming: “We have taken down the surrender flag and run up the battle flag. And we’re going to win the war on drugs.”<sup>172</sup> As societal desires and the fashion scene shifted, the popularity of certain drugs waned while others re-arose. Cocaine became the drug of choice by the 1980s, and although Presidents Ford and Carter did not emphasize the drug war, they grew the drug war treasury, which amounted to \$855 million by 1981.<sup>173</sup> Regan endorsed several regulations that streamlined federal drug enforcement agencies and added intelligence assets into the fold. Then the Regan administration postured for military involvement in the drug war via additions to the Posse Comitatus Act. Over the next decade, the U.S. drug war escalated with drug enforcement budgets reaching more than \$7.8 billion in 1993.<sup>174</sup>

A 1980s media blitz against drugs increased public antidrug awareness and propagated a like mindset. “Zero Tolerance” slogans pervaded society, prompting shifts in both domestic and foreign policy.<sup>175</sup> First Lady Nancy Reagan also hoped to discourage drug use via a media campaign titled, “Just Say No.”<sup>176</sup> In the midst of a renewed vigor against drugs, President Reagan signed the 1986, Anti-Drug Abuse Act, further increasing drug penalties and prompting Armed Forces support for civilian agencies. The Anti-Drug Abuse Act was

A bill to strengthen Federal efforts to encourage foreign cooperation in eradicating illicit drug crops and in halting international drug traffic, to improve enforcement of Federal drug laws and enhance interdiction of illicit drug shipments, to provide strong Federal leadership in establishing

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<sup>172</sup> Quoted in Michael F. Walther, *Insanity: Four Decades of U.S. Counterdrug Strategy* (Carlisle: U.S. Army War College Press, 2012), 7.

<sup>173</sup> Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 110.

<sup>174</sup> Ibid.

<sup>175</sup> Walther, *Insanity*, 7.

<sup>176</sup> Bruce Michael Bagley, “U.S. Foreign Policy and the War on Drugs: Analysis of a Policy Failure,” *Journal of Interamerican Studies and World Affairs* 30, no. 2 (1988): 189.

effective drug abuse prevention and education programs, to expand Federal support for drug abuse treatment and rehabilitation efforts, and for other purposes.<sup>177</sup>

President Reagan viewed drugs as a national security threat and sought to decrease drug supplies by targeting cultivation in Latin American countries. Author Colleta Youngers explains, “The presumption is that reducing supply will make the illicit drug trade more dangerous and costly. This in turn is assumed to drive down production, drive up prices, and ultimately discourage U.S. citizens from buying and using illicit drugs.”<sup>178</sup>

With the Anti-Drug Abuse Act, supply-side tactics received 70 percent of all antidrug funding from the government.<sup>179</sup> This funding shift increased pressure on South America, which was the focus of U.S. drug control foreign policy in the 1980s. The U.S. ignored evidence that suggested their supply-side tactics would fail. Short of a cataclysmic environmental destruction, eradication of the coca plant was impossible. Nevertheless, during this period, the U.S. also introduced a system of federal certification that effectively terminated aid to any nation that the U.S. judged not in compliance with drug eradication policies.<sup>180</sup> Under Reagan, in the early 1980s, then Vice President Bush expanded control throughout the military and intelligence communities. Since Florida was a primary throughput for illicit drugs from Latin America at that time, Bush created a Task Force in South Florida combining DEA, Customs, FBI, ATF, IRS, Army, and Navy

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<sup>177</sup> “H.R. 5729--99th Congress: Anti-Drug Abuse Act of 1986,” Library of Congress, accessed September 23, 2013, <http://thomas.loc.gov/cgi-bin/bdquery/D?d099:1:./temp/~bdozq:@@L&summ2=m&/home/LegislativeData.php?n=BSS;c=99>].

<sup>178</sup> Youngers, *Drugs and Democracy*, 340.

<sup>179</sup> Washington Office on Latin America, *Clear and Present Dangers: The U.S. Military and the War on Drugs in the Andes* (Washington, DC: Washington Office on Latin America, 1991), 7; Walther, *Insanity: Four Decades of U.S. Counterdrug Strategy*, 7.

<sup>180</sup> Buxton, “Historical Foundations,” 25.

efforts.<sup>181</sup> As president, George H.W. Bush intensified the drug war; however, despite an antidrug funding increase to \$6.4 billion, drugs were purer, cheaper, and more readily available by 1989.<sup>182</sup>

The domestic drug situation in the U.S. had never been worse. Bush took office in 1989, and in his first televised address, Bush declared an “assault on all fronts [against] the gravest domestic threat facing our nation today...”<sup>183</sup> Bush expanded upon Reagan’s drug war efforts taking them in a new direction. The U.S. would now use military force, both Latin American, coupled with economic aide to carry out supply-focused tactics; this became central to foreign policy priorities in the region. The 1989 “Andean Strategy” evoked Bush’s model, “The Logic is simple. The cheapest way to eradicate narcotics is to destroy them at their source. ... We need to wipe out crops wherever they are grown and take out labs wherever they exist.”<sup>184</sup> In 1989, President Bush signed National Security Directive (NSD) 18 that “directed the Secretary of Defense to redefine the Pentagon’s mission to include counter narcotics as one of its core priorities.”<sup>185</sup> Military drug enforcement expenditure grew from \$357 million in 1989 to more than \$1 billion by 1992.<sup>186</sup>

With the Cold War at its end, Latin America drug production became focus of American Military Attention who no longer had a large-scale threat that justified the enormity of the American war machine. The drug war provided an outlet for U.S. military might and activity. Aligned with the new Department of Defense policies, in 1990, the Panama-based U.S. Southern Command exclaimed drugs as its “number one

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<sup>181</sup> Walther, *Insanity*, 8.

<sup>182</sup> Washington Office, *Clear and Present Dangers*, 6; Walther, *Insanity*, 8; Walker, *Drugs in the Western Hemisphere*, 196.

<sup>183</sup> Quoted in Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 114.

<sup>184</sup> Quoted in Walther, *Insanity*, 8.

<sup>185</sup> “Latin America and the Caribbean: Illicit Drug Trafficking and the U.S. Counterdrug Programs,” Federation of American Scientists, accessed December 20, 2013, <http://www.fas.org/sgp/crs/row/R41215.pdf>. CRS reports generally have author. If this one doesn’t start with title.

<sup>186</sup> Bertram, Blachman, Sharpe, and Andreas, *Drug War Politics*, 115.



priority,”— its budget jumped to \$100 million by the end of the year.<sup>187</sup> The Washington Office on Latin America explains that Latin American Nations begrudgingly accepted U.S. military aid in the war on drug, only because of the financial aid that it meant they would receive from the U.S.<sup>188</sup> These same countries clearly discerned a drug control approach separate from U.S. Policy. Latin American officials explained that offering rural farmers positive incentives to grow something other than coca would perhaps be more effective than military interdiction or eradicating their crops. Although U.S. domestic drug policy influenced international relations with Latin America since the early nineteenth century, the permutation of the Andean Strategy and NSD 18 solidified the U.S.’s foreign policy approach to the drug war and has thusly defined relations with Latin America as never before.<sup>189</sup>

#### **4. Final Thoughts**

Events throughout the 1970s and 1980s preempted any chance of drug control in the western hemisphere. Author William Walker III explains:

The combination of expanding demand in North America and Europe; the resultant increase in hectares given to marijuana, opium, and especially coca cultivation; the rise of guerilla and paramilitary violence in the Andes, particularly in Columbia and Peru; the accumulation of great fortunes by drug merchants thanks to remarkably sophisticated means of trafficking and money laundering; a grave economic crisis in much of Latin America until the 1980s; and the failure of interdiction to halt more than 20 percent of the flow of illegal drugs revealed that pursuing control at the source was little more than Sisyphean labor.<sup>190</sup>

Over the following decades, U.S. officials touted large seizures of enormous tonnages of cocaine as successes; however, this simply demonstrates the futility of supply-side drug control. Author Bruce Bagley notes that U.S. policy makers based supply-side policy on a realist paradigm. Imbedded within this paradigm is a flawed and

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<sup>187</sup> Washington Office on Latin America, *Clear and Present Dangers: The U.S. Military and the War on Drugs in the Andes* (Washington DC: Washington Office on Latin America, 1991), 1.

<sup>188</sup> *Ibid.*, 1.

<sup>189</sup> *Ibid.*, 1–2.

<sup>190</sup> Walker, *Drugs in the Western Hemisphere*, 195.

simplistic assumption that states are the primary actors in the international arena. Unfortunately, drug trafficking involves a pantheon of non-state, subnational, business, international industry, and individual actors, that act in their own interest regardless of laws or policies throughout the Western Hemisphere. The weaker states of Latin American do not have control of all territories within their borders. Therefore, just as Honduras proclaimed in the 1930s, if the U.S. with the vast wealth and resources at its disposal, is unable to cease illicit drug inflow over U.S. borders, and if it is unable to address the demand and addiction problems of its society, how can the U.S. expect more from Latin America.<sup>191</sup>

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<sup>191</sup> Walker, *Drugs in the Western Hemisphere*, 195; Bagley, "U.S. Foreign," 198.

## **V. SUPPLY-SIDE POLICY FAILURE**

### **A. INTRODUCTION**

One should take a moment to examine why U.S. supply-side tactics have failed. The Demand for illicit drugs around the world led to organized crime enterprises built in such a way that their internal structure induces violence while allowing expansion despite multinational efforts to disrupt them. Furthermore, the counter-terrorist approach to subvert organized crime is generally ineffective and proliferates violence. There are many forms of organized crime: human trafficking networks, weapons smuggling, and drug trafficking are the most well-known. The differentiating factor between them is the product being trafficked; they share similar structures, have international domain, and an aim to make money. The focus of this section is on drug trafficking, an international organized crime institution consisting of multiple internal structures and networks that have penetrated Latin American societies and institutions. The “war on drugs” is widely hailed as a failure, leaving scholars with many questions. For example, what conditions facilitate the expansion of organized crime in the hemisphere? How does the internal organization of crime rings intensify their behavior? Is treating organized crime as terrorist organizations a good way to reduce violence? Separated into three portions this section addresses these questions. The first subsection discusses the basic organization of drug trafficking networks and explains how their internal structure is inherently violent. The next portion delves deeper into the architecture of drug trafficking entities, examining several factors and conditions that lead to their expansion in Latin America. Fighting organized crime with counter-terror tactics creates a conflagration of violence; the final subsection compares and contrasts organized crime and terror organizations in an attempt to determine why this occurs. Examining the structural foundations of drug trafficking organizations is paramount to understanding their violent nature and survivability.

## B. STRUCTURE AND VIOLENCE

There are several ways drug trafficking organizations arrange their internal structure. For instance, in Colombia, author Michael Kenney notes that trafficking organizations arrange their networks in such a way that maximizes efforts to obtain their profit objectives while congruently minimizing exposure to rival crime organizations and law enforcement (see Figure 12). These networks derive their core groups from family members, close friends, and fellow criminal conspirators. Internal trust is important in organized crime. Close connections and subcontracted, redundant networks develop overtime through “experience and family ties,” these organizations build their “enterprises through contacts, resources, and repeated exchanges while drawing on social traditions, such as contraband smuggling, that extend far back into Colombia’s past.”<sup>192</sup> Drug trafficking organizations are large and cover wide areas, therefore they must hire “outside” help.

In some trafficking organizations, these outside recruits must provide personal information as collateral. If the organization suspects a recruit of revealing damaging information to law enforcement, the trafficking organization will exact reprisals against the informant through the application of violence to the applicant’s family. The environments that many of these drug trafficking recruits come from are also violent. Authors Claudio Beato and Frederico Marinho note Brazil as an example; the violent climate there hinders public freedom, weakens individuals sense of security, and undermines the ability of external policing mechanisms to provide security. There is a “normative subculture” of violence that has engrained itself upon the psyche of organized crime participants.<sup>193</sup> Many of these participants seek membership in search of physical security and group belonging. The recruitment of violent individuals into the drug trade is beneficial because the operations of drug trafficking organizations require the use of violence. To retain legitimacy in their industry, drug trafficking organizations must

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<sup>192</sup> Michael Kenney, *From Pablo to Osama: Trafficking and Terrorist Networks, Government Bureaucracies, and Competitive Adaptation* (University Park, PA: Pennsylvania University State Press, 2007), 37–38.

<sup>193</sup> Marcelo Bergman and Laurence Whitehead, eds., *Criminality, Public Security, and the Challenge to Democracy in Latin America* (Notre Dame, IN: University of Notre Dame Press, 2009), 30.

protect their territory, operational facilities, and routes; this protection often comes in the form of violently eliminating competitors. There are tertiary effects of the drug trade that perpetuate violence as well. Author John Bailey notes the overlap of gang violence and drug trafficking violence, stating, “Diverse kinds of drug-related violence are projected into society... robbery, assault, extortion, or road accidents...” not to mention corruption related violence.<sup>194</sup> This violence is perpetrated by individuals stealing to pay for drugs and gangs robbing or killing rival gangs for retail rights granted by drug trafficking organizations. Author Coletta Youngers takes this view of local drug trafficking related violence a step further. Youngers notes, those participating in the local drug trade are often “paid in drugs rather than cash ... sell [these] drugs on local streets [for cash], stimulating new markets and illicit drug consumption. [Associated violent crime] escalates accordingly.”<sup>195</sup> Drug trafficking organizations, by nature, are violent; the function of their networks demands it, which perpetuates a violent environment from which they also recruit. With a deeper survey of these organizations’ architecture, one begins to understand their survivability.<sup>196</sup>

### C. STRUCTURE AND EXPANSION

Exploring the Colombian trafficking architecture, there are two general forms of networks that aid in survivability. Chain networks consist of independent nodes (see Figure 10). Decentralized and self-organizing, these nodes perform specific tasks and interact with each other with no central governing authority. The overall accountability of this type of group is horizontal in nature. These groups interact “through a series of arm-length transactions among individual nodes that often coordinate their activities on an ad-hoc basis.”<sup>197</sup> Naturally created in an anarchic system, the lack of central leadership leaves the nodes open to infighting. The advantage of this network is that law

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<sup>194</sup> John Bailey, “‘Security Traps’ and Democratic Governability in Latin America: Dynamics of Crime, Violence, and Corruption, Regime, and State,” in *Criminality, Public Security, and the Challenge to Democracy in Latin America*, ed. Marcelo Bergman and Laurence Whitehead (Notre Dame, IN: University of Notre Dame Press, 2007), 270.

<sup>195</sup> Youngers, *Drugs and Democracy*, 340.

<sup>196</sup> Kenney, *From Pablo to Osama*, 27–28.

<sup>197</sup> Ibid.

enforcement's current headhunting approach allows chain networks to resist the effects of losing central leadership; however, a massive blow by law enforcement would require a longer recovery period due to no centralized communication, facilitation, and reorganization. In contrast, wheel networks have a core collection of managers running the overall trafficking operation (see Figure 11). These managers drive and contract peripheral functions to different nodes (transportation, distribution, money launderers). These structures are heavily reliant on social networks based on family, interpersonal relationships, and professional ties. Repetitious interaction generates trust over time. This trust and fear of reprisal helps insulate traffickers from law enforcement to some extent. Wheel networks' structure inherently creates mechanisms to share risks decreasing destabilization during government interdiction. Core leadership also resolves internode disputes, asserting control, thereby reducing rival group thefts and infighting. Both types of trafficking arrangements have substantial survivability that allows expansion even under constant pressure from law enforcement. To shield themselves from violent competitors and law enforcement, traffickers often segment their operations into separate working cells that carry out daily functions. Compartmentalized, these cells and nodes further reduce the chance of law enforcement infiltration and minimize knowledge of other internal operations. Utilizing a need-to-know approach abates the damage a detained trafficker can create for the overall operation. There are successes and failures in drug trafficking and through learning processes, some groups adapt, while others do not.

Kenney asserts that organizational learning occurs when the participants within an organization learn: "acquiring, interpreting, and applying knowledge and experience."<sup>198</sup> For organizations to survive and thrive they must gain, store, and apply both *techne*, technical and procedural knowledge as well as *metis*, intangible skills such as ingenuity, cunning, deception, entrepreneurship, and so forth. Traffickers learn the *techne* of their trade through action. *Metis* is built through mentorship, demonstration, apprenticeship, and training. When law enforcement strikes devastating blows, the ability of a trafficking organization to regroup, move on, and expand, lies in the complexity of its structure and its ability to learn as an organization. An informal institution with no limitations of law,

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<sup>198</sup> Ibid., 4.

trafficking organizations can adapt quickly and move forward. If they do not, there are always other profit-seeking rivals that will gladly replace them. The prohibition of illicit drugs provides the incentive while the hyper-demand for illicit drugs from the U.S. and Europe ensures criminal entrepreneurs gain massive trafficking profits. Survivable trafficking organizations also rely on law enforcement action to weed out less capable competitors, freeing up new markets, while distracting law enforcement attention. Upstart trafficking organizations, and even established ones, emulate successful groups. Copying successful tactics and doing what works aids in survivability. The fungibility of drugs is another survival mechanism; drugs are exchanged for cash, services, and other material assets such as real-estate and commodities allowing drug traffickers to expand into new markets, maximizing profit while buffering law enforcement's ability to track and prosecute their movements. The bureaucracies of government and law enforcement agencies prevent quick changes to procedures and tactics. Less restrained traffickers develop innovative strategies, such as narco-submarines, much faster than law enforcement agencies can react. Corruption also enables trafficking organization expansion.<sup>199</sup>

The primary goal of trafficking organizations is to make money. The U.S. estimated that in 2003, the global illicit drug trade brought trafficking organizations \$320 billion.<sup>200</sup> Drug trafficking organizations have the funds to corrupt government and law enforcement officials, and influence "politicians across the political spectrum."<sup>201</sup> This corruption undermines Latin American attempts to reform and improve the effectiveness of their judicial and law enforcement systems. Arbitrary detentions of low level criminals, neglect of due process, and ability of high profile trafficking organization leadership to buy their way out of jail sentences, weakens the principles of justice, and propagates a lack of trust and sense of hopelessness. The Latin American justice system is impotent in its ability to make the costs of the drug trade outweigh the benefits that

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<sup>199</sup> Ibid., 14, 76; Arturo Sotomayor, "War on Drugs in Latin America," lecture at Naval Postgraduate School, May 2013.

<sup>200</sup> United Nations Office on Drugs and Crime, *World Drug Report*; (Malta: United Nations Office on Drugs and Crime, 2012), 67.

<sup>201</sup> Youngers, *Drugs and Democracy*, 8.

trafficking provides. The rampant corruption, coupled with the architecture and redundancies inherent in the drug trade, allow it to expand regardless of fervent counterterrorist strategies employed by government and law enforcement officials.<sup>202</sup>

#### **D. ORGANIZED CRIME VERSUS TERRORIST ORGANIZATIONS**

As a testament to survivability, Colombian traffickers, thwarted by U.S. interdiction in the Caribbean and Florida, moved their business to Mexico in the 1980s and 1990s. Unprecedented levels of violence and bribery marked the occasion. The U.S. encouraged the militarization of Mexico's fight against the drug trade for two reasons. The military was recognized as the only viable counter, in respect to resources, manpower, and firepower, to the wealthy, powerful, and well-armed drug trafficking organizations. The U.S. also recognized that the Mexican military was less corrupt than the law enforcement agencies, which were largely in the pockets of drug trafficking organizations.<sup>203</sup> The principal strategy to combat the drug trade remains supply based; eliminate and interrupt the supply to the U.S. and Europe in a manner that will cause the prices of drugs to skyrocket, thereby stymying demand and allowing the drug trade to collapse. U.S. and Latin American agencies have been fighting the drug war using counterterror strategies.

Unlike the drug organizations that seek monetary profit, terror organizations seek political and or policy change through acts of violence. There are cases in the past where drug leaders sought political positions and reform; however, these attempts were ultimately a means to protect monetary interests. Drug trafficking organizations want to maximize profits and minimize exposure to law enforcement attention, where terror organizations seek attention and are willing to take risks and inflict dread on civilian populations to meet political ends. Regardless their differences, terror groups and drug

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<sup>202</sup> Younger and Rosin, "The U.S. 'War on Drugs'," 8; Elvira Maria Restrepo, "The Pursuit of Efficiency and the Colombian Criminal Justice System," in *Criminality, Public Security, and the Challenge to Democracy in Latin America*, ed. Marcelo Bergman and Laurence Whitehead (Notre Dame, IN: University of Notre Dame Press, 2009), 198–199.

<sup>203</sup> Laurie Freeman and Jorge Luis Sierra, "Mexico: The Militarization Trap" in *Drugs and Democracy in Latin America: The Impact of U.S. Policy*, ed. Coletta A. Youngers and Eileen Rosin (Boulder, CO: Lynne Rienner Publishers, 2005), 271, 277.



trafficking networks are arranged similarly, sometimes in horizontal cell structures, but often in flat decision-making hierarchies. This structure is often comprised of compartmented networks that have the ability to change practices and gather intelligence in response to various experiences. Law enforcement agencies employ decapitation techniques, targeting drug trafficking leadership. This often results in a brief interruption in drug trafficking efforts. The architecture of trafficking groups allows for quick recovery through redundant routes, distributors, and the like.<sup>204</sup>

Unintended consequences of counterterror techniques include rival organizations' opportunistic and violent attempts to seize power, turf, and customers of the targeted group. Wheel network trafficking organizations are vulnerable to head-hunting techniques; these groups sometimes concentrate decision making power with few or even one key player. Law enforcement groups could severely undermine this style of trafficking organization by "dismantling nonredundant nodes and capturing core-group leaders."<sup>205</sup> This advice, though sound, comes with a caution. Studies show that increased pressure from law enforcement agencies on drug organizations increase drug-market related violence. For example gangs fight for control of their piece of the drug trade, and increased numbers of homicides and robberies as drugs become harder to obtain or more expensive. Law enforcement's current approach to the drug trade increases the threat to public safety and health by altering the individual behavior of users and dealers and disrupting the overall stability of the drug market's operation.<sup>206</sup>

## **E. SUPPLY-SIDE CONCLUSIONS**

The global demand for illicit substances fuels the drug trade. Law enforcement's focus on supply based counter-terror tactics against drug traffickers is counter intuitive and engenders violence. The differentiating structures of trafficking groups make them more or less vulnerable to counterterror tactics. With multiple nodes and leadership insulation mechanisms, drug trafficking organizations are designed from within to be

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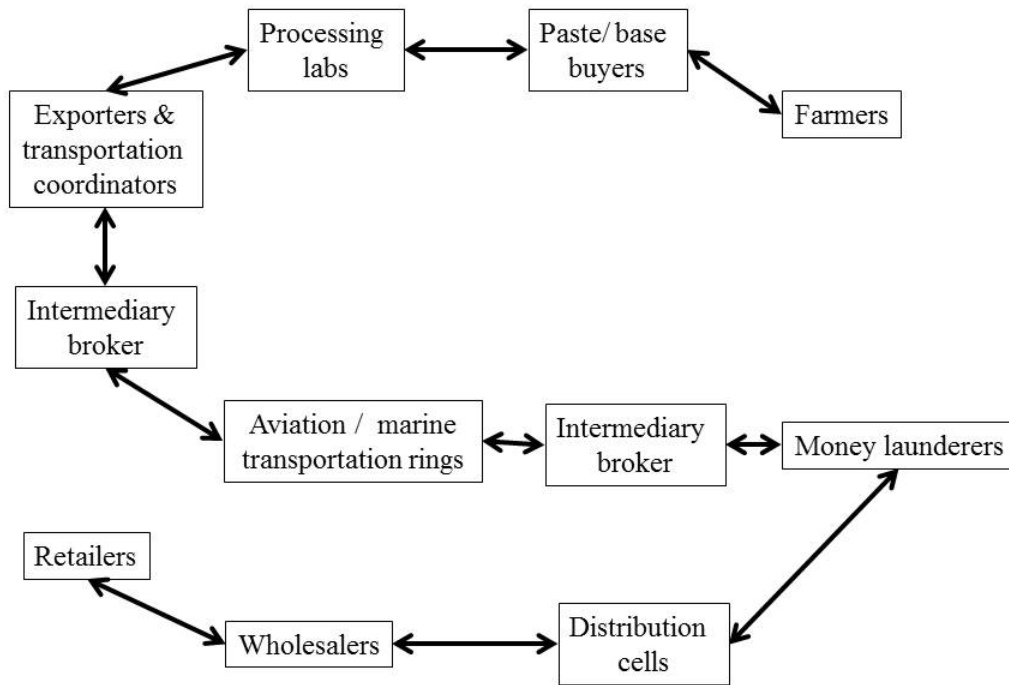
<sup>204</sup> Ibid.

<sup>205</sup> Kenney, *From Pablo to Osama*, 31.

<sup>206</sup> Ibid., 1, 8, 9, 30; Global Commission on Drug Policy, "War on Drugs" (Rio de Janeiro: UN Global Commission on Drugs, 2011), 2–3, 15.

naturally survivable. This survival not only depends on redundancy and ingenuity, it depends on violence and the willingness and ability to apply it; trafficking organizations that strike a balance between these factors often mitigate multinational efforts to disrupt their operations and find ways to expand their organization in the face of ever-increasing external pressure. Drug trafficking's main objective will always be the maximization of profit. Through corruption, Latin American judicial and law enforcement agencies undermine U.S. and Latin American governments' attempts to make the cost of drug trafficking organizations outweigh the profit benefit of their enterprises.

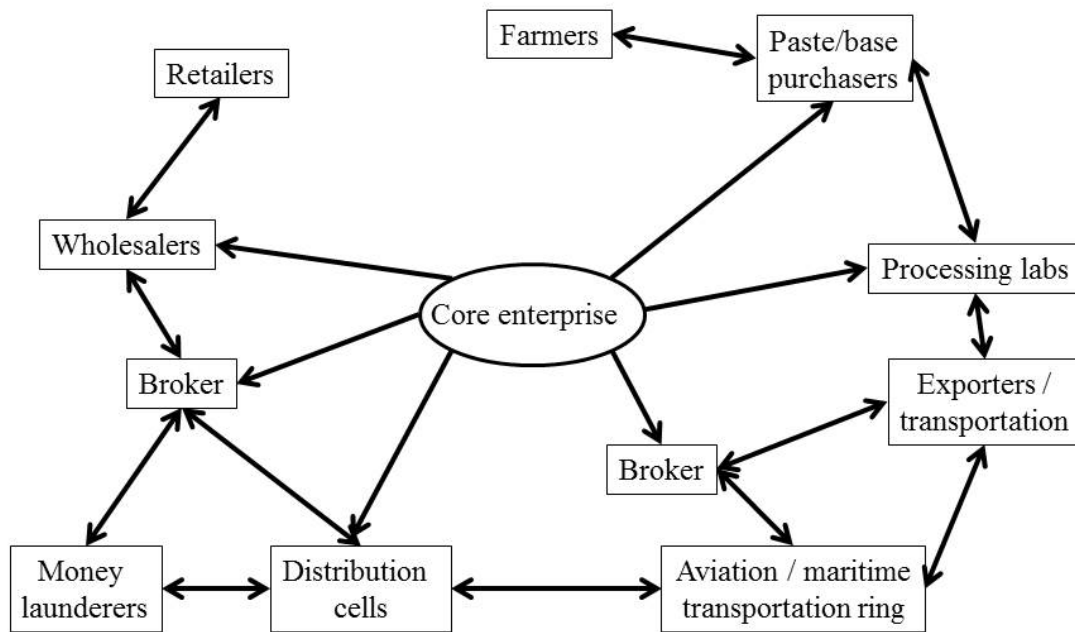
The 2011 report by the UN Global Commission on Drugs gives several suggestions on how to approach the drug war. These suggestions should apply to the entire Western Hemisphere, the entire world preferably, in order to maximize total and long-term effectiveness. Of note are the suggestions of removing prohibitive laws on illicit drugs. The legal regulation and distribution of government subsidized drugs could undermine profits of drug trafficking organizations. Free recovery treatment and services offered by government agencies could also undermine the demand for illicit drugs. Drug laws that cause the incarceration of millions of petty drug users and farmers must be revoked and harsh laws preventing prominent drug leaders from purchasing impunity must be enacted. Strong preventative youth programs that stimulate a sense of security and belonging in a drug free and healthy environment would undercut traffickers' ability to recruit violent group-security seeking youth, thereby reducing the recruitment and customer base of the drug trade as a whole. These are a few avenues to confront the drug trade, reducing violence and instability in Latin America. Until the anti-drug-trade strategy changes from a supply based endeavor to a demand eradication solution, only drug trafficking organizations will gain ground in the drug war.



Double headed arrows suggest horizontal accountability between nodes.

Figure 10. Drug-trafficking chain network.<sup>207</sup>

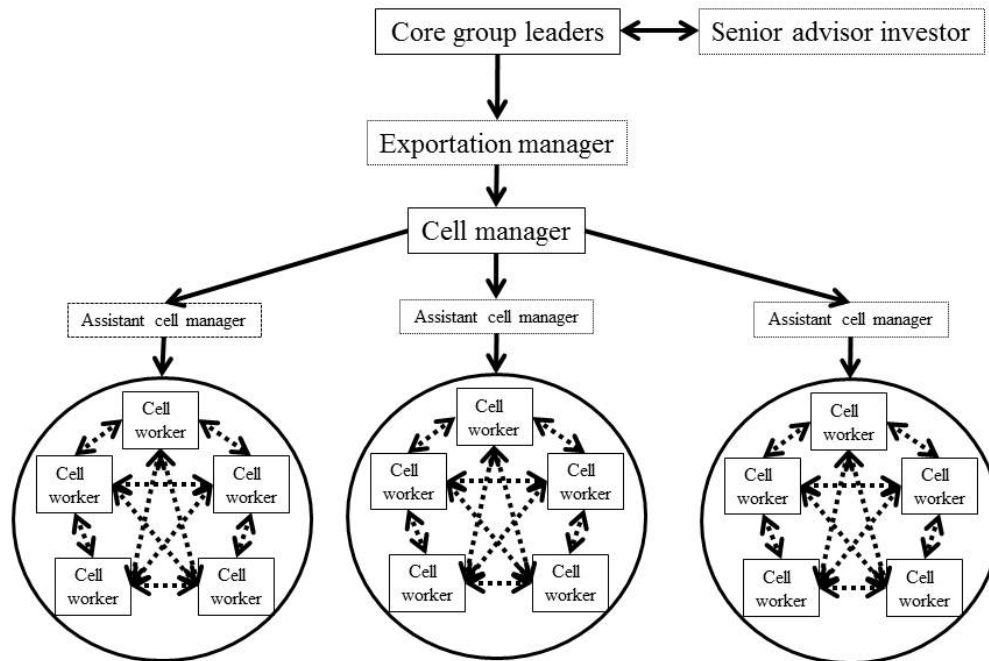
<sup>207</sup> Kenney, *From Pablo to Osama*, 32. Figures 10–12 were recreated by author of this thesis from Kenney's work.



Single-headed arrows suggest relations based on vertical accountability; double-headed arrows suggest horizontal accountability. For each task, core groups often rely on multiple peripheral nodes simultaneously.

Figure 11. Drug-trafficking wheel network.<sup>208</sup>

<sup>208</sup> Kenney, *From Pablo to Osama*, 30. Figures 10–12 were recreated by author of this thesis from Kenney's work.



Single-headed arrows denote vertical social relations: decisions flow downward, accountability flows upwards. Double-headed arrows suggest horizontal accountability and lateral information flows. However, dotted arrows suggest that cell workers may or may not with all their working group colleagues, depending on their coordination needs. Roles in dotted boxes do not exist in all trafficking networks.

Figure 12. Management levels within Colombian wheel network.<sup>209</sup>

<sup>209</sup> Kenney, *From Pablo to Osama*, 35. Figures 10–12 were recreated by author of this thesis from Kenney's work.

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## VI. CONSIDERATIONS FOR POLICY CHANGE

### A. MODERN EFFECTS OF THE U.S. DRUG WAR

#### 1. Negative Effects

There is in-depth research on this subject that already eloquently outlines the adverse effects of U.S. policy in Latin America. Perhaps the most influential works come from Coletta A. Youngers and Eileen Rosin. Their executive summary of *Drugs and Democracy in Latin America: The Impact of U.S. Policy* provides an overview of U.S. policy influence in Latin America. Youngers and Rosin explain that U.S. drug policies have failed to stymie drug production and trafficking, and have simultaneously weakened democratic institutions throughout Latin America. U.S. drug policy holds influence over Latin American police forces, militaries, and their respective legal and judicial systems. Youngers and Rosin explain, “We found that in one nation after another, U.S. drug control policies are undermining human rights and democracy and causing enormous damage to some of the most vulnerable populations in the hemisphere.”<sup>210</sup> In the 1990s, U.S. drug policy in Latin America forced a 66 percent reduction in Peruvian coca cultivation and a 53 percent reduction in Bolivia.<sup>211</sup> What U.S. progress reports often fail to mention is that as reduction occurred in those areas, coca cultivation in Colombia doubled. Today, the U.S. sees progress in Colombia, where coca production has dropped in the last few years. This is actually a failure. As a result of the success in Colombia, coca production in neighboring countries, such as Peru, has again skyrocketed bringing the plague of the drug trade back to familiar areas and burdening some new regions of Latin America.

The U.S. has historically forced its political will on Latin America. In recent years, Rosin and Youngers explain that the U.S. government still uses its diplomatic and economic leverage to compel Latin American state to cooperate with U.S. antidrug

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<sup>210</sup> Youngers, Coletta A., Eileen Rosin, eds. “Executive Summary” of *Drugs and Democracy in Latin America: The Impact of U.S. Policy*. A Washington Office on Latin America, 2004, 2, accessed May 5, 2014, [http://www.fes-seguridadregional.org/images/stories/docs/2433-001\\_g.pdf](http://www.fes-seguridadregional.org/images/stories/docs/2433-001_g.pdf).

<sup>211</sup> Drug Policy Alliance, “The Drug War Across Borders: U.S. Drug Policy and Latin America,” accessed May 6, 2014, [http://www.drugpolicy.org/docUploads/fact\\_sheet\\_borders.pdf](http://www.drugpolicy.org/docUploads/fact_sheet_borders.pdf).

policies.<sup>212</sup> Furthermore, even when U.S. policies are clearly generating significant political instability and social conflict, U.S. policy makers fail to adjust policy to mitigate the grim realities prevalent in Latin America. Youngers also penned a piece for the International Drug Consortium where she summarizes some of U.S. policy effects in Latin America and explains how Latin America is beginning to demand drug policy reform.<sup>213</sup>

## **2. Latin America Is Looking for a Way Out**

Latin America recognizes that the current drug policies have failed. Over the years Latin America has paid a high price for these policies. The prevalent levels of violence in Latin America must cease, this is a priority for the region. The drug trade feeds organized crime, which is also on the rise and exacerbates violence and corruption while eroding democracy. Since Nixon's drug war began, Latin America has fallen deeper into the scourge of the drug trade. Youngers explains,

Drug dependency—and related health and societal consequences—continues to spread as trafficking routes multiply, bringing more and more Latin Americans into contact with illicit substances. Jails are bursting at the seams with low-level drug offenders, causing a serious humanitarian crisis, while ineffective or lax law enforcement and corruption ensure that few medium or large-scale traffickers end up behind bars.<sup>214</sup>

The rise in organized crime has destabilizing effect in countries with weak law enforcement and judicial institutions. Guatemalan President Otto Pérez Molina sums up his views of U.S.-led drug policy

We have seen that prohibitionism and the war against drugs have not given the results hoped for. Quite the opposite, the cartels have grown in

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<sup>212</sup> Youngers, "Executive Summary," 2.

<sup>213</sup> Ibid.

<sup>214</sup> Coletta A. Youngers, "The Drug Policy Reform Agenda in the Americas," IDC Briefings Paper, May 2013, 2, accessed May 5, 2014, [http://www.wola.org/sites/default/files/IDPC%20briefing%20paper\\_Drug%20policy%20agenda%20in%20the%20Americas\\_May%202013\\_Youngers.pdf](http://www.wola.org/sites/default/files/IDPC%20briefing%20paper_Drug%20policy%20agenda%20in%20the%20Americas_May%202013_Youngers.pdf).



strength, the flow of arms towards Central America from the north has grown and deaths in our country have grown. This has forced us to search for a more appropriate response.<sup>215</sup>

Latin America recognizes current policy failures and has begun seeking alternative drug policies.

In 2009, led by three former presidents; César Gaviria of Colombia; Fernando Henrique Cardoso of Brazil; and Ernesto Zedillo of Mexico, the Latin American Commission on Drugs and Democracy, argued that drug prohibition was responsible for generating violent crime and corruption in Latin America. The group exclaims the drug war has “failed” and current policies are undermining democracy. For the Latin American Commission on Drugs and Democracy, it is time for public debate on alternatives to current policy, they suggest treating drug use as an issue of public health no criminal law, they have also called for the decriminalization of marijuana.<sup>216</sup>

In December 2013, the Uruguayan government passed a law making it the first country in the world to legalize recreational marijuana use. After careful deliberation as to how the state will enforce the law, President Jose Mujica announced law that will go into effect May 6, 2014. Three options of procurement are available to Uruguayan citizens. The first option is to purchase up to 40 grams of marijuana per month. Option two allows individuals to cultivate their own marijuana plants to produce a maximum of 480 grams per year. The third option allows co-ops to grow up to 99 plants per group with a max of 480 grams per member.<sup>217</sup>

Mujica sees this law as a way for his country to mitigate the U.S. led prohibitionist war on drugs that has plagued Latin American with violence and crime for over 40 years. The U.S. actually provided inspiration to Uruguay in this alternative drug policy. Uruguay’s drug czar, Julio Calzada, followed litigation in Colorado and

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<sup>215</sup> Quoted in Youngers, “Drug Policy Reform Agenda,” 2.

<sup>216</sup> “Drug Policy in the Americas: At Last, a Debate,” *The Economist*, June 25, 2009, accessed January 16, 2014, <http://www.economist.com/node/13905530>.

<sup>217</sup> Shawn Raymundo, “Recreational Marijuana Use Becomes Legal in Uruguay This Week: Marijuana Legalization Mimics Colorado and Washington Stipulations,” *Latin Post*, May 4, 2014, accessed May 6, 2014, <http://www.latinpost.com/articles/11726/20140504/recreational-marijuana-use-becomes-legal-uruguay-week-legalization-mimics-colorado.htm>.

Washington state closely. After these U.S. states passed their recreational marijuana use laws in 2012, Julio Calzada was inspired and saw a way out of the rut that prohibitive policies had created in his region. Molded after the U.S. state laws, Uruguay's law contains many of the same caveats and conditions, including a home grow provision, government-grown plants, and registration and tracking procedures. There are common sense provisions as well, Uruguayans cannot drive under the influence and will be subject to DUI checkpoints and laws similar to provisions in Washington State.<sup>218</sup>

Some U.S. citizens may find other components of the Uruguay laws a bit intrusive. In Uruguay, all marijuana users must register with the government so it can track use and identify potential abusers. If abuse does occur, the government will enroll the abuser into a treatment program. Uruguayans have access to high-quality government marijuana at \$1 per gram; this is much cheaper than buying it from the illicit market.<sup>219</sup>

The Uruguayan government believes that these new laws will allow its police force to focus its attention on violent crime and thwarting harder drug smugglers. Other Latin American countries who face drug rings funded by illicit trafficking, are considering similar laws. The presidents of Colombia and Guatemala are in favor of legalizing some illicit substances; however, they assert that their efforts can only be part of an international program. If not, drug traffickers would simply move to a country where it is illegal, further intensifying the violence and crime in that nation. If the effort to legalize illicit substances is not completed in concert, drug rings will not fade away, simply adapt to the situation and devour states too stubborn to change. Conservative voices, especially in the U.S., have blocked such a combined effort to date. Whether the U.S. realizes it or not, our efforts have a great impact in Latin America. Colorado and Washington are indirectly helping Uruguay combat its problems of instability and crime.

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<sup>218</sup> Ibid.

<sup>219</sup> Ibid.

Clearly, the situation in Latin America deserves more U.S. attention. If U.S. drug policy change can help reduce drug problems in the U.S. and Latin America, serious debate and consideration of policy change must occur.<sup>220</sup>

## **B. TO REFORM OR NOT TO REFORM**

### **1. U.S. Domestic Intransigence**

U.S. policy makers have shown a history of intransigence when it comes to domestic drug policy. In 1989, the RAND Corporation established the Drug Policy Research Center to conduct empirical research of U.S. drug policy. A study as early as 1995 indicated that U.S. drug policies could have devastating effects on Latin America, particularly Mexico.<sup>221</sup> In his RAND paper, “Evaluating the Effectiveness of Interdiction and Source Country Control,” author Johnathan Caulkins explained, “under plausible circumstances, increasing interdiction increases the quantity and value of drug exports, thereby increases revenues for drug suppliers in the source country, which presumably is undesirable.”<sup>222</sup> In fact, Caulkins explained, that U.S. policy would also affect other nations within Latin America. He clarified that operations such as Blast Furnace may be somewhat effective in the short term, but by putting American troops on foreign soil would breed resentment.<sup>223</sup> Caulkins highlighted the fact that our increased aerial and maritime scrutiny of trafficking led to an increase in overland transport through Mexico. Caulkins recognized that such a large influx of drug activity exposed Mexico to a possible conflagration of violence and corruption. He added, “The U.S. clearly has an interest in not having its neighbor and significant trading partner suffer the turmoil that has plagued some source countries, such as Colombia.”<sup>224</sup> One can see the increase in

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<sup>220</sup> “How Will Uruguay’s Marijuana Law Work,” *The Economist*, August 1, 2013, accessed May 6, 2014, <http://www.economist.com/blogs/economist-explains/2013/08/economist-explains-1>.

<sup>221</sup> Johnathan P. Caulkins, “Evaluating the Effectiveness of Interdiction and Source Country Control,” reprinted from *Economics of the Narcotics Industry* (Santa Monica, CA: RAND Corporation, 1995).

<sup>222</sup> *Ibid.*, 10.

<sup>223</sup> U.S. troops provided logistical support for Bolivian National Police find-and-destroy operations against coca-processing facilities in the Chapare, Beni and Santa Cruz areas. Operation Blast Furnace, Global Security, accessed May 26, 2014, [http://www.globalsecurity.org/military/ops/blast\\_furnace.htm](http://www.globalsecurity.org/military/ops/blast_furnace.htm).

<sup>224</sup> *Ibid.*, 11.

violence that the drug trade has brought to Mexico over the last couple of decades. Despite the role U.S. policy has played in this destabilization, policy makers have failed to consider changing their drug war methods to an extent that would make a difference and mitigate some of the negative effects pushed upon Latin America.

Author Dana Priest explains that throughout the 1980s, into the 1990s, the U.S. was not only revived its drug war but was fighting a secret war, using Special Forces, attempting to move Latin America from dictatorships to democracies. This fact alone left a bad connotation for American military in the region. Priest explains that by the mid-1990s. Many of the dictatorships on Latin America transitioned to democracies. This peace was great for Latin America, not so great for U.S. Southern Command. “Washington and the Pentagon had concluded that no war anywhere in the region would threaten U.S. national security—good news in any other part of the government, but for the CinC it meant struggling to stay relevant.”<sup>225</sup> General Charles Wilhelm found a way to stay in the game. He petitioned Congress to increase Southern Command’s role in Latin America.<sup>226</sup> Priest explains that at the time the widespread cocaine problem plaguing America could not be ignored.

As part of the H. W. Bush drug war revival, Congress voted to allow Southern Command to combat the drug war. The fact the Washington was going to allow Southern Command to use military action against drug trafficking was ill received by many nations in Latin America. These nations desperately wanted help alleviating the drug problem but U.S. military intervention seemed an unlikely remedy. Panama for instance, according to Priest, loathed the idea so, that it expelled U.S. Southern Command from Panama in 1997. It did not stop there; the Panamanians exhumed the bodies of fallen U.S. service members and sent them home. Southern Command continues to use the “War on Drugs” to widen the U.S. military’s influence in Latin America. In recent forums with senior military leaders, U.S. Southern Command touts impressive statistics of narcotics interdictions with limited assets. It is true; U.S. Southern Command does an outstanding job carrying out current U.S. policies with extremely limited assets. That said, many of

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<sup>225</sup> Priest, *The Mission*, 199.

<sup>226</sup> Ibid.

the recent military-to-military relations are doing wonders for diplomatic relationships and security building throughout Latin America; however, the intransigent focus on supply-side tactics limits the U.S. from developing and enacting a successful policy to curb the global drug problem. Some alternative ideas come to light from time to time, but Congress has made no real attempts at policy change.<sup>227</sup>

In a hearing before the Subcommittee on National Security, Internal Affairs, and Criminal Justice in February 1997, Secretary Shalala reported to Congress that review of several studies showed that needle exchange programs “can be an effective component of a comprehensive strategy to prevent HIV and other blood borne infectious diseases in communities that choose to include them.”<sup>228</sup> Secretary Shalala also directed the Health and Human Services science departments to continue reviewing research regarding the effect of needle exchange programs on illegal drug use. Research showed that

needle exchange programs do not encourage illegal drug use and can, in fact, be part of a comprehensive public health strategy to reduce drug use through effective referrals to drug treatment and counseling. [In Fact,] “An exhaustive review of the science in this area indicates that needle exchange programs can be an effective component of the global effort to end the epidemic of HIV disease,” said Harold Varmus, M.D., Director of the National Institutes of Health [(NIH)]. NIH has funded much of the research into the effectiveness of needle exchange programs and their impact on drug use. “Recent findings have strengthened the scientific evidence that needle exchange programs do not encourage the use of illegal drugs.”<sup>229</sup>

Despite research showing the benefits of such programs, lawmakers, such as Dennis Hastert, explain that needle exchange programs were unfounded moral compromises and were both ineffective in halting heroin addiction or the spread of AIDS. The representative sighted similar programs’ failure in Switzerland. Hastert explained “The war on drugs must be thought of in one way and one way only, as a war for the very

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<sup>227</sup> Ibid., 199–201.

<sup>228</sup> U.S. Department of Health & Human Services, “Research Shows Needle Exchange Programs Reduce HIV Infections without Increasing Drug Use,” accessed May 4, 2014, <http://archive.hhs.gov/news/press/1998pres/980420a.html>.

<sup>229</sup> Human Services, “Research Shows Needle Exchange.”

lives of our children.”<sup>230</sup> Such a program in the U.S., according to Hastert, would simply be destructive and merely amount to experimentation on U.S. children.

A congressional debate on alternatives to prohibitive policies began in June of 1999. The first of its kind since 1988, Congress held a hearing to discuss the pros and cons of drug legalization, decriminalization, and harm reduction. It was apparent Congress believed the legalization of drugs was the ultimate goal of people who actively promote medicinal marijuana or advocate government funded heroin supplied to addicts to prevent the spread of AIDS. A *New York Times* article explained that,

The hearing illustrated Congress’s reluctance to rethink the war against drugs, on which the Federal Government spends nearly \$18 billion a year. And it presaged the sort of discourse about drugs bound to surface in next year’s election campaign. “It’s a politically risk-free area,” said Eric E. Sterling, a former counsel to the House Judiciary Committee who helped draft the Anti-Drug Abuse Acts passed in 1986 and 1988. Mr. Sterling, who is president of the Criminal Justice Policy Foundation, attended the hearing. “No member of Congress is going to lose a vote because they’re tough on drugs,” he said. “And it attracts media attention. I suspect pollsters would tell members of Congress that this is a very good area to be outspoken in.”<sup>231</sup>

There were several arguments for and against legalization, decriminalization and the like. Opposing camps jostled back and forth

We do not have hearings called “The Pros and Cons of Rape,” said Representative Mark Souder, Republican of Indiana, a member of the Subcommittee on Criminal Justice, Drug Policy and Human Resources, which held the hearing. And Ethan A. Nadelmann, the director of the Lindesmith Center, a group based in New York that works to change drug policy, dismissed the hearing as “an effort to smear the many moderate proposals for drug-policy reform with the broad and false brush of radical legalization.” ... In his testimony, General McCaffrey described a campaign of deception and half-truths to erode society’s disapproval of marijuana and harder drugs, to which 4.1 million Americans are now addicted. While 82 percent of the public oppose making illicit drugs legal,

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<sup>230</sup> *Needle Exchange, Legalization, and the Failure of the Swiss Heroin Experiments: Hearings on H. R. 10593, Before the Subcommittee on National Security, International Affairs, and Criminal Justice, 105th Cong. 9 (1997)* (statement of Dennis Hastert, Committee on Government Reform and Oversight).

<sup>231</sup> Christopher S. Wren, “The Opposing Camps Square Off at a Congressional Hearing About Drug Legalization,” *The New York Times*, <http://www.nytimes.com/1999/06/20/us/the-opposing-camps-square-off-at-a-congressional-hearing-about-drug-legalization.html>.

he said, there is “a carefully camouflaged, well-funded, tightly knit core of people whose goal is to legalize drugs in the United States.’... “Legalization is a surrender to despair,” said Representative Benjamin A. Gilman, Republican of upstate New York. “It cannot and ought not be any topic of serious discussion in our nation’s debate of the challenges of illicit drugs.” ... Mr. Nadelmann was one of several people whom General McCaffrey accused of advocating drug legalization. General McCaffrey quoted Mr. Nadelmann as having said in 1990, “Personally, when I talk about legalization, I mean three things: the first is to make drugs such as marijuana, cocaine and heroin legal.” The rest of Mr. Nadelmann’s sentence, which was omitted at the hearing, said “. . . under fairly restricted conditions, but not as restricted as today.’<sup>232</sup>

Advocates for decriminalization explained that prison overpopulation was a result of the punitive and prohibitive nature of U.S. domestic policy. In a hearing one month later, Chairman of the subcommittee, Mr. John H. Mica acknowledged that a many state and federal prisoners were indeed there because of drug related issues; however, they had also committed crimes of a more carnal nature. The hearing went on and ultimately determined that policy change was not a viable alternative at that time.<sup>233</sup>

In 1999, a report processed by the Executive Office of the President concluded:

Here at home the last two youth drug use rates have leveled off and in many cases are now in decline (this marks a sharp departure from the prior six years, which saw the number of our children doing drugs steadily increase). Overall drug use in the United States is now half it was in the 1970s. During the same period cocaine use has fallen by 75 percent. Drug related murders have reached their lowest point in over a decade.

On the international front, cocaine production in Bolivia and Peru has decreased by 300 metric tons over the last four years [There is no mention of the increase of coca cultivation in Colombia]. We have built a common consensus against drugs. We have eliminated the distinction between producer and consumer nations, and built a common understanding that drugs threaten all nations. Working with the rest of the international community, we have built strong counter-drug cooperation through the United Nations, and within this hemisphere through the Organization of American States.

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<sup>232</sup> Ibid.

<sup>233</sup> *Pros and Cons of Drug Legalization*: 106th Cong. (1999); *The Decriminalization of Illegal Drugs*: 106th Cong. (1999).

These advances provide a solid foundation upon which to build. Clearly, the answer is not to make dangerous, addictive substances more available or to drop our societal guard. Instead, we must focus on prevention, treatment, enforcement, interdiction and international cooperation. In other words, we must remain focused on those things that we know work.<sup>234</sup>

This sentiment persists today.

## **2. A Renewed Look at Alternatives**

More recently, the issue of drug policy change has again gained traction. Several states have decriminalized marijuana and several sources of literature study the ramifications of legalization. A 2010, RAND study loosely estimates that the state of California could garner as much as \$1.49 billion dollars and year by taxing marijuana, in a similar, but more expensive way to cigarettes. That said marijuana consumption could rise by as much as 98 percent.<sup>235</sup>

Such a policy could have an effect on the illicit marijuana industry in Mexico. Mexican Drug Trafficking Organizations (DTOs), earn around \$2 billion a year by selling marijuana in the U.S. The RAND Corporation believes that legalization would eliminate as much as \$215 million in illicit DTO revenue. Even under a state tax, legal marijuana would be no more expensive than illegal marijuana, and in fact, contain higher levels of THC (purer). The illicit Mexican stream of marijuana to underage consumers would cease when adults started illegally providing underage consumers with the legal product, which would be cheaper, subject to stricter safety parameters, and all around a better product. “Mexican DTOs will have no more competitive advantage than they would trying to sell alcohol and cigarettes to California youth today.”<sup>236</sup> Eventually, if other states followed the same legalization path as California, RAND estimates that all illicit revenue for DTOs would dry up. That said, RAND assesses that if revenues from

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<sup>234</sup> Barry R., McCaffrey, *The Destructive Impact of Drugs on the United States: How the Legalization of Drugs Would Jeopardize the Health and Safety of the American People and Our Nation*, June 16, 1999 (Washington, DC: Government Printing Office, 1999), 39.

<sup>235</sup> Beau Kilmer et al., *Altered State? Assessing How Marijuana Legalization in California Could Influence Marijuana Consumption and Public Budgets* (Santa Monica, CA: RAND Corporation, 2010), 30.

<sup>236</sup> *Ibid.*, 19.



illicit trafficking decreases in Mexican DTOs, Mexican violence may initially increase with an overall decrease within a few years. This study is another indicator of how U.S. domestic policy can affect events in Latin America<sup>237</sup>

Many drug reform proponents use analogies of prohibition or drug legalization programs in other countries as a way to forecast what such a program in the U.S. would look like. The authors, Robert J. MacCoun and Peter Reuter, have compiled a book that takes a close look at the pros and cons of the U.S. drug policy change. The following tables are a list of analogies that are commonly used in drug forums with a brief description of lessons learned in each case.

Analogy	Drug (vice)	Availability?	User sanctions?	Policy change?	Major lesson	Inferential limitations <sup>a</sup>
Dutch cannabis policy since 1976	Cannabis	Commercially available (quasi legal)	None if under 30g (5g as of 1996)	Relaxation	Reduced user sanctions had little effect; commercialization may have increased prevalence	Cannabis only; different country
Repeal of Prohibition, 1933	Alcohol	Commercially available	Little change	Relaxation	Little short-term increase in use; long-term growth possibly due to commercialization	Alcohol only, different era
Marijuana depenalization in United States and Australia	Cannabis	Remained illegal	None or minor for small quantities	Relaxation	Little or no effect on use or harms	Cannabis only, weak policy change
Italian depenalization, 1975–90, 1993–present	All street drugs	Remained illegal	None or minor for small quantities	Relaxation	Possible effect on heroin use, but probably spurious	Different country; limited data
Creation of state lotteries	Gambling	Legal participation	None	Relaxation	Aggressive promotion led to steep increases in gambling	Nondrug vice

Table 1. Legal control of other drugs and vices<sup>238</sup>

<sup>237</sup> Ibid., 19, 44.

<sup>238</sup> MacCoun, *Drug War Heresies*, 301.

Analogy	Drug (vice)	Availability?	User sanctions?	Policy change?	Major lesson	Inferential limitations <sup>d</sup>
Harrison Act (1914)	Heroin, cocaine, other drugs	Became illegal	Yes	Tightening	Decline in use; growth of black markets	Different era
Prohibition	Alcohol	Became illegal	Only if in commercial setting	Tightening	Decline in use; growth of black markets	Alcohol only, different era
Tightening British heroin prescribing	Heroin	Less available from doctors	Unchanged	Tightening	Increase (spurious?) in use and black markets	Different country
Legal cocaine, 1885–1914	Cocaine	Available in tonics and by prescription	None	Pre-prohibition period	?	Different era
Prostitution enforcement, contemporary United States	Prostitution	No legal access	Yes (misdemeanor)	No major recent change	Feasibility of less harmful enforcement of prohibition	Nondrug vice
Tobacco and alcohol regulation, contemporary United States	Tobacco, alcohol	Regulated adult access	Only for minors	No major recent change	Obstacles to effective regulation; harmfulness under legal regime	Tobacco nonintoxicating; alcohol better integrated into culture than cocaine, heroin, cannabis

<sup>d</sup> All analogies share one major inferential limitation: lack of controlled experimentation.

Table 2. Legal control of other drugs and vices (cont.)<sup>239</sup>

MacCoun and Reuter make an effort to be “honest brokers,” but the fact is they see a policy that is effectively doing more harm than good. In the final pages of *Drug War Heresies: Learning from Other Vices, Times, & Places*, the authors summarize their findings:

Increased treatment and prevention, even under the most generous scenarios, will not solve the U.S. drug problem. It is doubtful that a complete “solution” exists. The pursuit of a drug-free society seems quixotic, and its nobility is tarnished by the associated hatred and contempt for drug users. Defenders of the current regime deliberately avert their eyes from an honest assessment of a massive and frequently cruel intervention that sacrifices so many other goals for the one desiderata of drug abstinence. Society is forgoing significant reductions in drug-related damage by its unwillingness to make policy changes that risk sending the wrong message.<sup>240</sup>

These men, MacCoun and Reuter, offer 11 propositions that they believe may be viable policy alternatives. Below their propositions have been reproduced verbatim:

<sup>239</sup> Ibid., 302.

<sup>240</sup> Ibid., 408.

**A. Elimination of criminal sanctions for drug possession (i.e., depenalization)**

1. Reductions in criminal sanctioning have little or no effect on the prevalence of drug use (i.e., the number of users), at least relative to the existing levels of enforcement. The basis for this proposition is stronger for cannabis than for cocaine or heroin.
2. It seems plausible that reductions in criminal sanctioning might produce minor increases in intensity (units consumed per user), though direct evidence on this point is limited.
3. Reductions in criminal sanctioning, almost by definition, produce significant reductions in the criminal justice costs, burdens, and intrusiveness associated with those sanctions.
4. Reductions in the criminal sanctioning per se have little effect on drug-related harms involving health and impaired functioning.

**B. Increases in legal access to a drug (partial or total legalization)**

1. Allowing some form of legal access to a drug increases the prevalence and intensity of its use. (In the terms of Chapter 5, the combined impact of price reductions, increased availability, decreased legal risks, and reduced symbolic threshold outweighs the reduced impact of the forbidden fruit and stigmatization effects.)
2. Allowing some form of legal access to a drug eliminates some types of harm (those entirely attributable to prohibition, including criminal sanctioning costs, loss of liberty, and so on), and substantially reduces some other types of harm (income-generating crimes, needle sharing, and some overdoses).
3. Legal access to a drug may curtail, but will not eliminate, those harms per use attributable to the psychoactive properties or behavioral effects of a drug (e.g., addictive potential, intoxication, impaired functioning, and drug side effects). Any increase in prevalence or intensity of consumption will increase the aggregate impact of these harms.
4. Commercial promotion leads to a greater expansion in drug use than mere legal accessibility.
5. Growth in drug use under expanded legal access can be limited or prevented by sufficiently strict regulatory or prescription barriers, but commercial providers will aggressively resist most such barriers.

6. Strict regulatory or prescription barriers within a regime of legal access will reproduce many harms of a prohibition regime (B2), unless they can selectively target the heaviest users (addicts).
7. If relaxed drug laws increase the prevalence of use (B1), the additional users will, on average, use less heavily and less harmfully than those who would have also have used drugs under prohibition (*composition effect*). (This proposition is purely theoretical; there is little direct evidence.)<sup>241</sup>

In Tables 1 and 2 above, one can see that in each instance of prohibitive analogies, vice use decreases but does not cease, and a black market emerges. The growth of the drug market is bad for the U.S. and Latin America. From the RAND studies above one can garner the results of a U.S. policy change in Latin America. If MacCoun and Reuter's policies move forward, one could expect drug trafficking to become less profitable and diminish over time. MacCoun and Reuter also give a summary of projections observable in Table 3.

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<sup>241</sup> Ibid., 326–27.

Drug	Regime	Changes relative to status quo			
		Use	Harms	Distributive issues	Major uncertainties
Cocaine	Depenalization	Little or no increase in prevalence; minor increase in intensity	Possible increases in impaired functioning and crime; decreases in criminal justice costs	Users benefit more than nonusers	Little directly relevant evidence
	Adult market	Increased prevalence; increased intensity	Increases in addiction, health care costs, impaired functioning; decreases in economic crime, criminal justice costs/harms, and intrusiveness	Users benefit more than nonusers; inner cities may benefit more than middle class	Little directly relevant evidence
Heroin	Depenalization	Same as cocaine depenalization	Same as cocaine depenalization	Same as cocaine depenalization	Same as cocaine depenalization
	Adult market	Increased prevalence; decrease in intensity (?)	Similar to cocaine adult market, but also decreases in drug-related illness and disease transmission	Similar to cocaine adult market	Little directly relevant evidence
	Maintenance (if significant diversion from black market)	No change in prevalence; possible increase in intensity	Increased treatment costs (maintenance), but decreases in illness, impaired functioning, crime, and intrusiveness	Similar to cocaine adult market	Logistics of implementation; will many addicts participate?
Cannabis	Depenalization	No change in prevalence; little or no increase in intensity	Reduced intrusiveness and criminal justice costs/harms	Users benefit more than nonusers	Much less uncertainty than other regimes
	Alaska model	No change in prevalence; possible increase in intensity	Possible increases in harmful effects of use (which are modest); decreases in criminal justice costs/harms and intrusiveness	Users benefit more than nonusers; might reduce alcohol (and even hard drug) intoxication	Effect on black market? Effect on gateway?
	Adult market	Increased prevalence and intensity	Some increase in harmful effects of use (which are modest); decreases in criminal justice costs/harms and intrusiveness	Same as Alaska model	Effect on black market? Effect on gateway? Substitution away from alcohol?

Table 3. Summary of projections.<sup>242</sup>

A 2011 report by the Global Commission on Drug Policy (GCDP) also recognizes the failure of supply-side drug control tactics. It explains that from its perspective, the U.S. and others have wasted billions of dollars on criminalization and repressive measures focused on producers, traffickers, and consumers of illicit substances because they have failed to reduce both drug supply and consumption.<sup>243</sup> As mentioned above, an apparent victory in eliminating one source of drugs or dismantling one trafficking organization proves fruitless due to the almost instant appearance of other sources and traffickers. Repressive and punitive measures directed at consumers encumber public health measures to reduce overdose fatalities, HIV and AIDS, and other harmful drug consumption side effects. According to the GCDP report, “Government expenditures on futile supply reduction strategies and incarceration displace more cost-effective and evidence-based investments in demand and harm reduction.”<sup>244</sup> The commission outlines

<sup>242</sup> Ibid., 330.

<sup>243</sup> GCDP, “War on Drugs,” 2.

<sup>244</sup> Ibid.

several principles and recommendations for policy reforms. What follows touches the wave tops of a more in-depth study of desired principles of new drug policy and recommendations for said policies.

Principles:

1. Drug policies must be based on solid empirical and scientific evidence. The primary measures of success should be the reduction of harm to the health, security and welfare of individuals and society.
2. Drug policies must be based on human rights and public health principles. We should end the stigmatization and marginalization of people who use certain drugs and those involved in the lower levels of cultivation, production and distribution, and treat people dependent on drugs as patients, not criminals.
3. The development and implementation of drug policies should be a global shared responsibility, but also needs to take into consideration diverse political, social and cultural realities. Policies should respect the rights and needs of people affected by production, trafficking and consumption, as explicitly acknowledged in the 1988 Convention on Drug Trafficking.
4. Drug policies must be pursued in a comprehensive manner, involving families, schools, public health specialists, development practitioners and civil society leaders, in partnership with law enforcement agencies and other relevant governmental bodies.<sup>245</sup>

Recommendations:

1. Break the taboo. Pursue an open debate and promote policies that effectively reduce harms related to drug use and drug control policies. Increase investment in research and analysis into the impact of different policies and programs.
2. Replace the criminalization and punishment of people who use drugs with the offer of health and treatment services to those who need them.
3. Encourage experimentation by governments with models of legal regulation of drugs (with cannabis, for example) that are designed to undermine the power of organized crime and safeguard the health and security of their citizens.

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<sup>245</sup> Ibid., 5–9.

4. Establish better metrics, indicators and goals to measure progress.
5. Challenge rather than reinforce common misconceptions about drug markets, drug use and drug dependence.
6. Countries that continue to invest mostly in a law enforcement approach (despite the evidence) should focus their repressive actions on violent organized crime and drug traffickers, in order to reduce the harms associated with the illicit drug market.
7. Promote alternative sentences for small-scale and first-time drug dealers.
8. Invest more resources in evidence-based prevention, with a special focus on youth.
9. Offer a wide and easily accessible range of options for treatment and care for drug dependence, including substitution and heroin-assisted treatment, with special attention to those most at risk, including those in prisons and other custodial settings.
10. The United Nations system must provide leadership in the reform of global drug policy. This means promoting an effective approach based on evidence, supporting countries to develop drug policies that suit their context and meet their needs, and ensuring coherence among various UN agencies, policies and conventions.
11. Act urgently: the war on drugs has failed, and policies need to change now.<sup>246</sup>

This section discussed U.S. intransigence on drug policies and possible alternative approaches to the global war on drugs. There are many reasons for the U.S.'s resistance to change, which is a topic that merits a thesis in itself. There is a need for change, regardless of how much one may want to think that U.S. policies are solving the drug problem, they are not. As a close neighbor and economic partner the U.S. must also consider the effects of our domestic policies on Latin American states more closely.

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<sup>246</sup> Ibid., 10–17.

## **C. THE WAY AHEAD**

### **1. A Multi-faceted Approach**

Latin America is a region of great economic growth and potential. Its economic strength and diversity significantly compliments U.S. fiscal interests in the Western Hemisphere. Although a positive economic trend is developing in Latin America, the U.S. must consider its drug policies' destabilizing effects, as not to further inhibit development throughout Latin America. After careful study, empirical data suggests that there is an opportunity for Latin American states to gain economic strength and therefore gain an increased ability to fund internal security programs throughout the region. Latin American states have begun to address regional security concerns through its participation with the United Nations Office on Drugs and Crime (UNODC), which seeks to combat transnational organized crime by increasing government security and interoperability between member states.<sup>247</sup> Targeting transnational organized crime and corruption alone will not solve security shortfalls in Latin America. Alternative drug control policies mentioned above may also help stabilize and improve the situation in Latin America. In addition to improving the domestic and international conditions by seeking alternative drug policies, the U.S. will also benefit in its participation as an equal partner in job creation and infrastructure strengthening throughout Latin America; this combined with UNODC efforts will improve transnational security and help reinforce economic stability in the region.

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<sup>247</sup> United Nations, Conference of the Parties to the United Nations Convention against Transnational Organized Crime: CTOC/COP/WG.5/2012/2, January 2012, accessed January 20, 2013, [http://www.unodc.org/documents/treaties/organized\\_crime/2012\\_CTOC\\_COP\\_WG5/CTOC\\_COP\\_wG5\\_2012\\_2/CTOC\\_COP\\_WG5\\_2012\\_2\\_E.pdf](http://www.unodc.org/documents/treaties/organized_crime/2012_CTOC_COP_WG5/CTOC_COP_wG5_2012_2/CTOC_COP_WG5_2012_2_E.pdf).



Country	World Rank
Brazil	6
Mexico	14
Argentina	25
Colombia	31
Venezuela, RB	32
Chile	37
Peru	50
Ecuador	63
Dominican Republic	69
Guatemala	73
Uruguay	74
Costa Rica	79
Panama	89
Bolivia	93
Paraguay	95
El Salvador	96
Honduras	105
Nicaragua	129
Haiti	134
Cuba	211

Table 4. World economy rankings<sup>248</sup>

Backed by the Obama administration, Arturo Valenzuela (Assistant Secretary, Bureau of Western Hemisphere Affairs) believes that “United States has important national interests at stake in the Western Hemisphere, and the best way to advance these interests is through proactive engagement with all of the countries of the Americas.”<sup>249</sup> Economic exchange and a strong equal-partner approach on security by the United States with Latin America will foster growth within the Latin American states and increase security throughout the region. U.S. policy currently, though not the only factor, encumbers the full potential of Latin American states. That said, Latin America is on the right path to increased internal stability, through transnational security cooperation and practices that nurture economic growth.

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<sup>248</sup> The World Bank, “Data, GDP (Current U.S.\$),” accessed Jan 19, 2013, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>.

<sup>249</sup> U.S. Department of State, *U.S. Policy Toward Latin America: Testimony Before the Subcommittee on the Western Hemisphere, Peace Corps, and Global Narcotics Affairs of the Senate Committee on Foreign Relations* (Washington, DC: U.S. Department of State, 2011), accessed January 20, 2013, <http://www.gpo.gov/fdsys/pkg/CHRG-112shrg67798/html/CHRG-112shrg67798.htm>.

## 2. Economic Considerations

Seven Latin American states are among the top 50 economies in the world. Brazil, ranked sixth, is the largest economy in Latin America (see Table 4). Latin American states have robust, burgeoning economies. This region's economic growth during a time of global economic crisis is a testament to its fiscal stability. Assistant Secretary Arturo Valenzuela noted in testimony to the Subcommittee on the Western Hemisphere, Peace Corps, and Global Narcotics Affairs of the Senate Committee on Foreign Relations that "Not only did the region avoid the worst effects of the financial crisis, but current growth rates [were] projected to exceed 4 percent [in 2011]." <sup>250</sup>

Country	GDP 2008	GDP 2009	GDP 2010	GDP 2011	AVE. GDP	Growth % 2008-2012		
Brazil	1653	1622	2143	2477	1974		2.6	
Mexico	1094	880	1035	1153	1041		3.9	
Argentina	327	307	369	446	362		8.9	
Venezuela, RB	316	329	394	316	339		4.2	
Colombia	244	234	286	333	274		5.9	
Chile	180	173	216	249	205		6	
Peru	127	127	154	177	146		6.8	
Cuba	61	..	..	..	61		2.1*	*03-07
Ecuador	54	52	58	66	58		7.8	
Dominican Republic	46	47	52	56	50		4.5	
Guatemala	39	38	41	47	41		3.9	
Uruguay	30	30	39	47	37		5.7	
Costa Rica	30	29	36	41	34		4.2	
Panama	23	24	27	27	25		10.6	
El Salvador	21	21	21	23	22		1.5	
Bolivia	17	17	20	24	20		5.2	
Paraguay	17	14	18	24	18		6.9	
Honduras	14	14	15	17	15		3.6	
Nicaragua	8	8	8	9	8		5.1	
Haiti	6	6	7	7	7		5.6	

Table 5. Gross domestic product in \$billions 2008–12 growth. <sup>251</sup>

On average, with the exception of Venezuela, the economies within Latin America experienced an increase between 2008 and 2011 (see Table 5). All Latin American states experienced economic growth, up to 10.6 percent (Panama), in 2011. By

<sup>250</sup> The World Bank, "Data, GDP (Current U.S.\$)."

<sup>251</sup> Ibid.

comparison, the U.S. experienced economic growth of only 1.7 percent in 2011.<sup>252</sup> One of the greatest contributing factors to Latin America's economic growth and stability is international Trade.

Mexico and Brazil are among the top importers and exporters in the world (see Table 6). The top three recipients of Brazil's exports are the European Union (EU), China, and the U.S. respectively.<sup>253</sup> Brazil receives most of its imports from the EU, U.S., and China respectively. Mexico's main customer is the U.S. with the EU and China close behind.<sup>254</sup> The U.S. provides the majority of Mexico's imports and in most Latin American states, the U.S. is the top Importer and Exporter.<sup>255</sup> Some states such as Paraguay and Uruguay have the U.S. as their number five importer.<sup>256</sup> Surprisingly, Cuba has the U.S. as its third largest importer.<sup>257</sup> A healthy international trade system has advanced the economies of the Latin American states. Although some Latin American states are still developing their trade institutions, the region has established its presence in the global economy. In 2009, total trade within the Western Hemisphere reached \$1.9 Trillion.<sup>258</sup> U.S. exports to the Caribbean and Latin America "reached \$524 billion and 40 percent of Latin America and the Caribbean's exports flowed to the United States, making [the U.S.] the region's single largest export destination."<sup>259</sup> Because of the level of economic entanglement, removing the instability caused by current supply side policies and bolstering trade relationships and cooperation with Latin America, will allow the United States to increase the security and stability of the region. Continued trade and economic participation, perhaps through new drug policies in the region, will allow the economy of the entire Western Hemisphere to flourish.

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<sup>252</sup> Ibid.

<sup>253</sup> The World Trade Organization, "Technical Notes," accessed Jan 18, 2013, [http://www.wto.org/english/res\\_e/booksp\\_e/anrep\\_e/wtr11-5\\_e.pdf](http://www.wto.org/english/res_e/booksp_e/anrep_e/wtr11-5_e.pdf).

<sup>254</sup> Ibid.

<sup>255</sup> Ibid.

<sup>256</sup> Ibid.

<sup>257</sup> Ibid.

<sup>258</sup> U.S. Department of State, *U.S. Policy Toward Latin America*.

<sup>259</sup> Ibid.

Country	Trade export	Country	Trade import
Mexico	16	Mexico	16
Brazil	22	Brazil	21
Venezuela, RB	42	Chile	43
Argentina	44	Argentina	44
Chile	46	Colombia	51
Colombia	55	Venezuela, RB	53
Peru	58	Peru	58
Ecuador	69	Ecuador	68
Panama	76	Panama	73
Costa Rica	90	Dominican Republic	79
Guatemala	91	Guatemala	80
Dominican Republic	96	Costa Rica	82
Bolivia	98	Cuba	86
Uruguay	100	Paraguay	88
Honduras	101	Uruguay	90
Cuba	103	Honduras	92
Paraguay	110	El Salvador	94
El Salvador	112	Bolivia	104
Nicaragua	130	Nicaragua	124
Haiti	157	Haiti	141

Table 6. World import / export rankings<sup>260</sup>

### 3. Stability

Some Latin American states do not share in the same levels of prosperity and stability as their neighbors (i.e., Honduras, El Salvador, and Haiti). However, Latin American nations are concerting efforts with the U.S. and the UNODC to increase stability throughout those territories. Such efforts can be seen by the adoption of a “draft resolution (CTOC/COP/2012/L.4/Rev.2) sponsored by Costa Rica, Croatia, Ecuador, Egypt, El Salvador, the European Union, Guatemala, Mexico, Peru and the United States,” on 19 October 2012.<sup>261</sup> Though still in the beginning stages of implementation, the UNODC has established “an effective and comprehensive approach to transnational organized crime and drug trafficking.”<sup>262</sup> The UNODC is also reaching out to regional

<sup>260</sup> The World Trade Organization, “Technical Notes.”

<sup>261</sup> United Nations, *Conference of the Parties to the United Nations Convention against Transnational Organized Crime: CTOC/COP/2012/15*, October 2012, accessed January 20, 2013, [https://www.unodc.org/documents/treaties/organized\\_crime/COP6/CTOC\\_COP\\_2012\\_15/CTOC\\_COP\\_2012\\_15\\_E.pdf](https://www.unodc.org/documents/treaties/organized_crime/COP6/CTOC_COP_2012_15/CTOC_COP_2012_15_E.pdf), 24.

<sup>262</sup> Ibid., 3.

and international non-governmental organizations (NGOs) the private sector and civilians to strengthen “cooperation and work with States parties to the Convention and the Protocols thereto in order to achieve their full implementation.”<sup>263</sup>

		Country	Homicide Rate
		Honduras (11)	91.6
		El Salvador (11)	69.2
		Venezuela (10)	45.1
		Guatemala (11)	38.5
		Colombia (10)	33.4
		Dominica Rep. (11)	25
		Mexico (10)	22.7
		Panama (10)	21.6
		Brazil (10)	21
US City	Hom. Rate	Ecuador (10)	18.2
New Orle	23.7	Nicaragua (10)	13.6
Detroit	20.3	Paraguay (10)	11.5
Sumter, SC	15.6	Cost Rica (10)	11.3
Flint, MI	15	Peru (09)	10.3
Pine Bluff, AR	14.8	Bolivia (10)	8.9
Stockton, CA	12.5	Haiti (10)	6.9
Jackson, MS	12.2	Uruguay (11)	5.9
Balti (11)	9.4	Cuba (09)	5
Chicago	6.8	Argentina (09)	3.4
Los Angel	5.7	Chile (10)	3.2

Table 7. U.S. 2011<sup>264</sup> and intentional homicides 2009–11 per 100,000<sup>265</sup>

The U.S. should seek to cooperate not only within the UNODC but also with as many individual Latin American states as possible. Current U.S. drug policies neglect the differing situations of individual Latin American countries. The U.S. should base its approach on not only political norms and economic relationships but also empirical data.

<sup>263</sup> Ibid, 5.

<sup>264</sup> The Federal Bureau of Investigation, *Uniform Crime Reports: Crime in the United States*, 2011, data tables, Table 6, accessed January 20, 2013, <http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/download-printable-files>.

<sup>265</sup> “UN Data, Intentional Homicide, Number and Rate per 100,000 Population,” accessed January 20, 2013, <http://data.un.org/Data.aspx?d=UNODC&f=tableCode%3A1>.

Instability in some Latin America states could stem from relatively low GDP per capita rates, high intentional homicide rates. Much of these statistics are contributable to the side effects of the illicit trade, which U.S. drug policies currently intensify. The flow of immigrants into the U.S. highlights this instability. The U.S. should consider this when formulating an effective approach to building stability in the region.

Country	GDP/CPTA
Cuba	not avail
Chile	14394
Uruguay	13866
Brazil	12594
Argentina	10942
Venezuela, RB	10810
Mexico	10047
Costa Rica	8647
Panama	7498
Colombia	7104
Peru	6018
Dominican Rep.	5530
Ecuador	4496
El Salvador	3702
Paraguay	3629
Guatemala	3178
Bolivia	2374
Honduras	2247
Nicaragua	1587
Haiti	726

Table 8. GDP per capita

*a. Security*

The Bureau of International Narcotics and Law Enforcement Affairs (INL) cite that the:

Persistently high homicide and crime rates throughout Central America, the Caribbean, and the horrific reports of violence inside Mexico, are

symptoms of a broader climate of insecurity throughout the region. Crime and violence are aggravated by widespread poverty and unemployment.<sup>266</sup>

There is a correlation between instability and poor quality of life and high intentional homicide rates. One should note, however, that Mexico's homicide rate is 22.7 per 100,000, which is less than New Orleans' homicide rate of 23.7 per 100,000 (see Table 7). There is also a high correlation between illicit drug activity and violence in each of these cities. U.S. cities, such as those listed in Table 7, which face some of the highest intentional homicide rates on the continent, also endure high levels of poverty.<sup>267</sup> A relative indication of individual contribution to the overall GDP, help one to understand some of the economic hardship experienced in the region. The GDP per Capita in the United States is \$48,112.00.<sup>268</sup> Chile has the highest GDP per capita in Latin America, \$14,394.00, (see Table 7) which is less than a third of the GDP per capita of the U.S.<sup>269</sup> The GINI coefficients of Latin American states also help to demonstrate the disparity or unequal distribution of wealth in the region (see Table 11). The U.S. has a GINI index of 40.8.<sup>270</sup> The higher the index, the worst disparity there is between the wealthy and the poor. There is a large middle class in America, approximately 80 percent by some accounts, which contrasts with Latin America.<sup>271</sup> Many states in Latin America have a wealthy population and a poverty stricken population, with a relatively miniscule group of middle class as a buffer between. The Organization for Economic Cooperation and Development (OECD) defines the middle class as "households with income between

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<sup>266</sup> U.S. Department of State, *Security Challenges in Latin America*, 2012, accessed January 21, 2013, <http://www.state.gov/j/inl/rls/rm/187097.htm>.

<sup>267</sup> U.S. Department of Commerce, U.S. Census Bureau, "Poverty and Shared Households by State: 2011," American Community Survey Briefs, accessed January 21, 2013, <http://www.census.gov/prod/2012pubs/acsbr11-05.pdf>.

<sup>268</sup> The World Bank, Data, "GDP per Capita (Current U.S. \$)," accessed Jan 19, 2013, <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.

<sup>269</sup> Ibid.

<sup>270</sup> UN data, "Inequality-adjusted Human Development Index," accessed January 24, 2013, <http://hdr.undp.org/en/statistics/ihdi>.

<sup>271</sup> Organization for Economic Co-operation and Development, *Latin American Economic Outlook 2011: How Middle-Class Is Latin America?*, 2011, accessed January 24, 2013, <http://www.oecd.org/countries/argentina/latinamericanin2011howmiddle-classislatinamerica.htm>, 78.

50% and 150% of the national median.”<sup>272</sup> Latin American middle classes range from as high as 56 percent of the population in Uruguay to under 40 percent in Bolivia and Colombia.<sup>273</sup> The worst GINI index belongs to Haiti at 59.9 (no data exists for Cuba, see Table 12). Small GDP per capita, coupled with a high disparity between the wealthy and poor in Latin America have contributed to the instability in the region. A renewed drug policy could help improve the quality of life for subsistence farmers and perhaps bolster and increase the economic base of the Latin American middle class.

Country	Lit Rate	Country	Life exp
Cuba (2010)	100	Chile (2011)	79
Chile (2009)	99	Costa R (2011)	79
Argentina (2010)	98	Cuba (2011)	79
Uruguay (2010)	98	Mexico (2010)	77
Costa Rica (2010)	96	Argent (2011)	76
Venezuela, RB (2009)	96	Ecuador (2011)	76
Panama (2010)	94	Pana (2011)	76
Paraguay (2010)	94	Urugu (2010)	76
Colombia (2009)	93	Colomb (2011)	74
Mexico (2010)	93	Nicara (2011)	74
Ecuador (2010)	92	Peru (2011)	74
Bolivia (2009)	91	VeNZL (2010)	74
Brazil (2009)	90	Brazil (2011)	73
Dominican R. (2010)	90	Domin R (2011)	73
Honduras (2010)	85	Hond (2011)	73
El Salvador (2010)	84	El Sal (2011)	72
Guatemala (2010)	75	Paragu (2011)	72
Haiti	not avail	Guate (2011)	71
Nicaragua	not avail	Bolivia (2011)	67
Peru	not avail	Haiti (2011)	62

Table 9. Life expectancy and literacy rates 2009–2011<sup>274</sup>

<sup>272</sup> Ibid., 57.

<sup>273</sup> Ibid.

<sup>274</sup> The World Bank, Data, “Life expectancy at birth, total (years),” accessed Jan 19, 2013, <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>.



***b. Unemployment***

Unemployment in Latin America is also a destabilizing factor that must be considered. Recent unemployment rates are not readily available. However, the unemployment rates from 2005 show that unemployment in some states reached 20.05 percent (see Table 10).<sup>275</sup> Since 2005, some Latin American states, such as Mexico, have improved their employment situation. Unemployment can also cause instability in the population as people relocate to find work. Joblessness and the lack of economic options also contribute to the choices one makes when the ability to provide for loved ones is called into question. Many transnational crime organizations can offer an economic incentive to the downtrodden to remedy their present situation. The drug trade provides incentives to some, from farmers to unemployed young men. Others are forced to migrate from their homes to avoid the violence perpetrated by local drug traffickers.

Country	immig (00)	immig (11)	% ↑
Honduras	160 k	380 k	132
Ecuador	110 k	210 k	83
Guatemala	290 k	520 k	82
El Salvador	430 k	660 k	55
Mexico	4.6 M	6.8 M	45

Table 10. Immigration flow into the U.S. (2000–2011)<sup>276</sup>

The INL is focusing efforts on “assistance programs, from traditional prevention, law enforcement and counternarcotic programs, to anti-corruption, judicial reform, anti-gang, community policing, and corrections efforts.”<sup>277</sup> These are all necessary steps that will increase the region’s internal security and help build a foundation for governments to begin solidifying control and ensuring safety of their respective citizenry. Alternative drug policies can help provide jobs for Latin American communities and stymie the violence of drug trafficking organizations as they begin to deteriorate. Such policies

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<sup>275</sup> UN data, “Unemployment Rate,” accessed January 24, 2013, <http://data.un.org/Data.aspx?q=Unemployment+Rate&d=GenderStat&f=inID%3a121>.

<sup>276</sup> Ibid., 5, Table 3.

<sup>277</sup> U.S. Department of State, “Security Challenges in Latin America” (Washington, DC: March 29, 2012), accessed January 21, 2013, <http://www.state.gov/j/inl/rls/rm/187097.htm>.

come to the minds of many Latin American leaders as they try to further their countries' development. New policies will also help answer the transnational organized crime problem; however, the challenges of job creation and economic disparity must be addressed to form lasting improvements in Latin American security. Alternative drug control policies are a possible solution that U.S. and Latin American leaders must consider. To solidify success in the region there must be a focused effort by the United States to collaborate with Latin America and build enduring programs and institutions that encourage "upward social mobility" and minimize the susceptibility of the middle class to adverse economic strains such as unemployment or a household's sudden loss of the main provider.<sup>278</sup>

Country or Area	AVE
Dominican Republic	20.05
Uruguay	12.4
Peru	11.7
Panama	11.05
Argentina	10.85
Colombia	9.85
Ecuador	8.2
Chile	7.3
Costa Rica	7.3
Honduras	4.7
Mexico	3.5

Table 11. Unemployment rates (2005)

### c. *Immigration*

Although most Latin American States have literacy rates above 90 percent (which can be correlated to a stable education system) and through good healthcare systems enjoy life expectancy rates as high as 79 years (see Table 9), there has been a historical flow of immigrants into the U.S. from Latin America in search of safety and employment. There is also a correlation between high homicide rates (see Table 7) and

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<sup>278</sup> Organization for Economic Co-operation and Development, *Latin American Economic Outlook*, 19.

high immigration flow into the U.S. (see Table 10). Despite the relatively steady flow of immigrants into the U.S., there has been little change to the number of illegal immigrants from 2010 to 2011.<sup>279</sup> Although there was an increase of immigration since 2000, the illegal immigrant population has not shown appreciable growth since 2007 due to relatively high U.S. unemployment and marked economic improvement in states such as Mexico.<sup>280</sup> The stabilization of illegal immigration rate into the U.S. testifies to the effect that improved economic conditions and the job market can effect one's decision to leave or remain in one's country. Favorable economic conditions and job availability play a huge role in the overall stability and security within a community. The U.S. should approach Latin American states as an equal partner and seek out ways to increase the standard of living of Latin Americans through job creation.

A change in drug policy may also have an effect on immigration policy. There are diplomatic benefits to the application of new drug policy, as it may increase the economic and security stability of our Latin American neighbors. The ramifications of such policies and relevant programs amount to political capital that will pay dividends down the road as the U.S. negotiates trade and other international level policies. New drug policy can help develop a safer situation within Latin America, the economic benefits from such policy will also improve the economies within the U.S. and Latin America; as this transpires further development of infrastructure and institutions will occur. Infrastructure and institution building will not only further increase security throughout Latin America; it will provide a job market. With employment more readily available, a more favorable and sustainable economic situation will result. Combined with alternative drug policies, this new situation in Latin America will reduce the economic influence of drug traffickers and transnational organized crime thereby increasing the overall stability and security of the region.

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<sup>279</sup> U.S. Department of Homeland Security, Office of Immigration Statistics, *Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2011*, 2012, 1, accessed January 19, 2013, <http://www.dhs.gov/estimates-unauthorized-immigrant-population-residing-united-states-january-2011>.

<sup>280</sup> *Ibid.*, 1.

Country	GINI
Cuba	non avail
Haiti	59.5
Colombia	58.5
Honduras	57.7
Bolivia	57.3
Brazil	53.9
Guatemala	53.7
Nicaragua	52.3
Panama	52.3
Chile	52.1
Paraguay	52
Mexico	51.7
Costa Rica	50.3
Ecuador	49
Dominican Republic	48.4
Peru	48
El Salvador	46.9
Argentina	45.8
Venezuela, RB	43.5
Uruguay	42.4

Table 12. GINI coefficient or index <sup>281</sup>

#### 4. Summary

Current and future interaction with the Latin American states presents a unique opportunity to build stronger economic partnerships and strengthen security throughout the western hemisphere. U.S. drug policy should consider our neighbors individual situations. Empirical information on progress in the region elucidates the fact that Latin American states are on a positive upward trend in economic growth; this provides an excellent opportunity to revamp U.S. drug policy. Interaction of Latin American states with other states in the UNODC shows their willingness to tackle issues such as transnational organized crime and drug and weapons smuggling, which is a problem throughout the region. The present situation in Latin America is one of moderate stability with no imminent risk of collapse. In fact, the Economic Commission for Latin America and the Caribbean site, in there 2013 Economic Outlook, “that after nearly a decade of continuous expansion, interrupted only in 2009, the most recent projections indicate

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<sup>281</sup> UN Data, “Inequality-adjusted Human Development Index.”

growth [in Latin America] of 3.2% in 2012 and 4.0% in 2013.<sup>282</sup> With all available data considered, the current situation in Latin America is moderately stable and is worth U.S. investment, economically and politically. The current encumbering drug policies have undoubtedly had an effect on the situation in Latin America; a change in policy now can unleash the full potential of the region. The majority of Latin American states are by no means, rising centers of economic power; this section simply accentuates the fact that throughout the scourge of the drug war, Latin America has endured.

By removing current obstacles to their development, the U.S. may be able to help bring the majority of Latin America into modernity. One must note that one of the positive aspects of current policies is the military-to-military relations, carried out by Southern Command, that have acted as a positive team building experience between the U.S. and several Latin American nations. Therefore, at this point the current economic ties to and willingness from the Latin American region to conduct international security interoperability operations and collaboration on various economic and social platforms presents a inimitable opportunity for the development of an equal-partner relationship between the U.S. and the Latin American States.

## 5. Concluding Remarks

Authors Marvin McGuire and Steven Carroll wrote a thesis in 2002 that used intensive statistics and economic formulas to calculate the total cost of current prohibitive policies. They calculate that in 1999, the total loss of potential revenue in the U.S. was **\$186.4 billion**, with inflation, that amounts to over **\$261.4 billion** today.<sup>283</sup> McGuire and Carroll explain, “For free market advocates, this represents the epitome of social inefficiency and public policy failure.”<sup>284</sup> They believe the U.S. market will recoup and capture funds currently used to combat the supply-side drug war and funds from indirect costs such as criminal justice expenses, healthcare, and productivity losses, if the

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<sup>282</sup> Organization for Economic Co-operation and Development /Economic Commission for Latin America and the Caribbean, *Latin American Economic Outlook 2013: SME Policies for Structural Change*, 2013, accessed January 24, 2013, [http://www.cepal.org/publicaciones/xml/5/48385/LEO2013\\_ing.pdf](http://www.cepal.org/publicaciones/xml/5/48385/LEO2013_ing.pdf), 16.

<sup>283</sup> Inflation Calculator, “US Inflation Calculator,” accessed May 16, 2014, <http://www.usinflationcalculator.com/>.

<sup>284</sup> McGuire and Carroll, “Economics of the Drug War,” 79.

government legalized certain drugs. An influx of \$261.4 billion would certainly stimulate the U.S. economy, and similar markets in Latin America would enable greater development there than ever seen before.<sup>285</sup>

That said, as mentioned above, reasons for resistance to change are many. Most will agree that the drug war is expensive, damaging, and ineffective. Nonetheless, failure is not adequate; arguments and empirics illustrating drug policy impotence will not result in policy change. Author Renee Scherlen explains, “Understanding the causes of the drug war persistence is essential for the design of a victorious termination strategy.”<sup>286</sup> Public opinion on the entire spectrum of the drug culture and the consequences of policy change are the two most important factors contributing to the drug policy persistence. The way the drug war is framed is an essential element of prospect theory outcomes.<sup>287</sup> Presently, there is a low probability of policy termination; therefore, the public and its political representatives prefer the status quo to possible risks from policy change. If public perception over the drug war shifts the possibility for drug policy change increases. There are unknown risks involved with drug policy change; we have been conducting supply side antidrug efforts for over 40 years. If we continue along the present drug policy course the U.S. and Latin America will continue to suffer economic and societal losses with no possible victory in the war on drugs. It is time the public and politicians awaken to this fact; the more the members of the public are educated to the losses incurred because of current drug policies the more likely they are to accept risk. They will be prepared to pursue drug policy change.<sup>288</sup>

Scherlen explicates another method, policy makers could “offer an alternative policy as a “sure bet.” The result would be to place perceptions of policy change into the

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<sup>285</sup> Ibid.

<sup>286</sup> Renee Scherlen, “The Never-ending Drug War: Obstacles to Drug War Policy Termination,” *Political Science & Politics* 45, no. 1 (2012): 72, doi:<http://dx.doi.org/10.1017/S1049096511001739>.

<sup>287</sup> A theory that people value gains and losses differently and, as such, will base decisions on perceived gains rather than perceived losses. Thus, if a person were given two equal choices, one expressed in terms of possible gains and the other in possible losses, people would choose the former. Also known as “loss-aversion theory.” *Investopedia*, s.v. “Prospect Theory,” accessed May 6, 2014, <http://www.investopedia.com/terms/p/prospecttheory.asp>.

<sup>288</sup> Scherlen, “Never-ending Drug War,” 72.

gains domain. Again, this would lead to greater support for policy change.”<sup>289</sup> If the government assures the public of the positive benefits of a drug policy change, then it will be more likely to accept it. Therefore, if policy makers choose to seek change they must highlight prospective gains new drug policies will bring such as tax revenue and crime reduction, while stressing current losses such as 40 years of failure, the fall in illicit drugs prices while their purity continues to rise, and the increases of violence and corruption throughout the U.S. and Latin America. Following this strategy may be effective. The correct framing of an issue will make politicians more risk acceptant, more willing to admit current drug policy failures and perhaps do something about it.<sup>290</sup>

On a personal note, the author of this thesis is a Christian and a republican, born and raised. This author believes that most drug use is morally wrong and is harmful to one’s self and the community. That said, after 18 months of studying the intricacies, diversity, and uniqueness of Latin America, this author believes that current U.S. domestic drug policies are doing more harm than good in the U.S., and especially in Latin America. Even simply as a means to reduce drug use in the end, to reduce associated violence and crime, and to eliminate profitability of drug trafficking organizations, policy change will be well worth it. Policy change can also mean a boost to the American economy, or funding for development programs, domestic and foreign. While there is no perfect solution to the global drug problem, current tactics and policy seem to make societal situations throughout the Americas more unstable, making higher quality drugs available to a wider swath of people, lining the pockets of drug trafficking organizations around the world, and inhibiting development where populations need it most.

A U.S. shift towards decriminalization and legalization will also increase U.S. soft power in Latin America.<sup>291</sup> The leverage that such a policy change can provide would perhaps receive a positive reaction when used in Latin America. The U.S. must prepare for a policy change; its vast antidrug infrastructure and institutions will need to

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<sup>289</sup> Ibid.

<sup>290</sup> Ibid.

<sup>291</sup> A persuasive approach to international relations, typically involving the use of economic or cultural influence., *Oxford Dictionaries*, s.v., “Soft Power,” [http://www.oxforddictionaries.com/us/definition/american\\_english/soft-power](http://www.oxforddictionaries.com/us/definition/american_english/soft-power).

adjust their roles. The U.S. military and counterdrug agencies alike will endeavor to ensure their individual survival; their participation is instrumental to a smooth transition of U.S. drug policy as a whole. U.S. agencies knowledge and resources can fast track alternative policies, helping ensure policy success. Therefore, congressional and department leaders must deal with any obstinacy issues within the U.S. military and other agency resultant from the current drug policy stagnation prior to any policy change. It is appropriate to conclude with a few words of wisdom from Albert Einstein, who once concisely defined insanity as “doing the same thing over and over again and expecting different results.”<sup>292</sup> The U.S. should consider trying something other than historically ineffectual drug policies to make headway in the global drug epidemic.

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<sup>292</sup> Albert Einstein, as quoted in in Michael F. Walther, *Insanity: Four Decades of U.S. Counterdrug Strategy* (Carlisle: U.S. Army War College Press, 2012), 1.



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